Local strength. Regional presence.

BUKIT DARAH PLC

Annual Report 2013/14

Contents

Read the Bukit Darah PLC
Annual Report 2013/14 online

Local strength, regional presence

2013 saw Bukit Darah PLC continuing its focus on becoming a outstanding regional holding company; developing the many opportunities we see in South and South East Asia in our drive to make all our businesses regionally competitive over time.

As always, strategic alliances, joint ventures and other collaborative partnerships continue to fuse the financial resources and technical and management competencies required for expansion as we broaden our footprint across the growth-heavy sectors we have identified.

Carson Cumberbatch PLC is a broadly diversified conglomerate with interests in oil palm plantations, oils and fats, beverages, portfolio & asset management, real estate and leisure sectors.

Goodhope Asia Holdings Ltd. is an integrated Oil Palm producer with end to end participation in Palm Oil value chain with presence in Indonesia, Malaysia, India and Singapore.

Sector Overview

12.4%

Turnover

Boosted by higher volumes on the back of increased tourist arrivals and an excise duty increment in August 2013

BEVERAGE

Manufacturing, distributing and exporting Sri Lanka's best loved Beer

27.7%

MICE Revenue

Banquet, conferences related revenue increased by 27.68% Year-On-Year to reach Rs.68.44Mn

LEISURE

Two properties offering beach and cultural triangle experience flavoured with excellent food and best of class service

10.8%

Total Assets

Greater Combined Segmental Asset base, resulting from increase in Biological assets and Cash & Cash Equivalents

PLANTATIONS, OILS & FATS

Integrated Palm Oil Producer - upstream and downstream

9.28%

Turnover
Higher Turnover amidst volatile market conditions, stemming from capital gains and profits booked on market anomalies

PORTFOLIO & ASSET MANAGEMENT

Composite investment management - listed equity, private equity, fixed income securities and unit trusts

113.8%

PBT
Boosted by increase in total occupancy to 91% from the 85% reported for Financial Year 2013

REAL ESTATE

192,000 Sq. ft of Prime office/warehouse space valued at Rs.2.4Bn

100%

Satisfaction
Maximising Satisfaction of internal customer expectations instead of profit maximisation

MANAGEMENT SERVICES

Inwardly focused service oriented competency provider

Financial Highlights

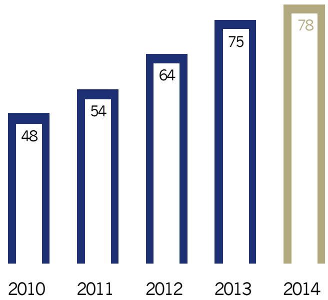
(All figures in Sri Lankan Rupees thousands unless otherwise stated)

For the year ended 31st March	2014	2013	% Change
Statement of Income			
Group revenue	76,542,788	76,160,413	1
Segment results	12,892,314	11,027,656	17
Profit before taxation	11,133,371	13,627,257	(18)
Profit after taxation	7,873,501	9,644,591	(18)
EBITDA	16,029,237	13,817,574	16
Profit attributable to ordinary shareholders	3,275,017	4,278,709	(23)
Cash earning per share (Rs)	157.15	135.47	16
Earnings per share (Rs.)	31.67	41.51	(24)
Dividend per share (Rs)	3.00	3.00	-
Dividend payout (%)	94	97	(4)
Statement of Cash flow			
Operating cash flow	13,512,181	4,577,119	195
Capital Expenditure	17,787,504	20,901,140	(15)
Statement of Financial Position			
Shareholders' funds	30,278,385	32,032,337	(5)
Net assets	66,468,508	66,874,007	(1)
Net assets per ordinary share (Rs.)	296,45	313.64	(5)
Return on ordinary shareholders' funds (%)	10.68	13.24	(19)
Total assets	157,985,175	139,309,792	13
Net debt	47,652,088	44,300,854	8
Market / Shareholder Information			
Market value per share (Rs)	590.90	705.50	(16)
Market capitalization (Company) (Rs. Mn)	60,272	71,961	(16)
Enterprise value (Rs. Mn)	144,114	151,102	(5)
Revenue to Government	16,666,784	15,284,413	9
Group value addition	35,307,998	34,827,748	1
Group employment (Nos.)	15,580	15,097	3

Our Performance - Non Financial Graphical Review

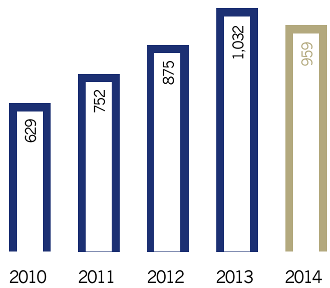
We track performance against key financial and non financial indicators.

Gross Planted Land (Ha '000)
Oil Palm Plantation



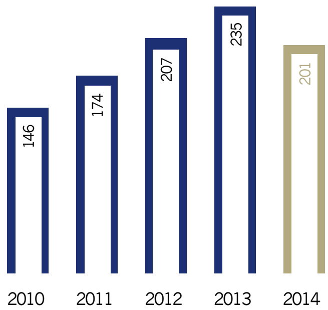
The oil palm plantation segment's gross planted land displays gradual increases over the years, driven by the plantation development targets of the sector.

Fresh Fruit Bunch Production (MT '000)
Oil Palm Plantation



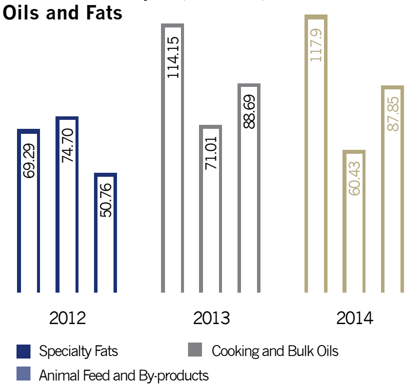
The production of Fresh Fruit Bunches (FFB) has increased over the years as new planted areas reach maturity. However, the current financial year's yields were impacted by biological and weather factors that affected the region (and are cyclical occurrences in the industry). Nonetheless, we continue to implement agronomy best practices which focus towards enhancing site yield potentials.

Crude Palm Oil Production (MT' 000)
Oil Palm Plantation



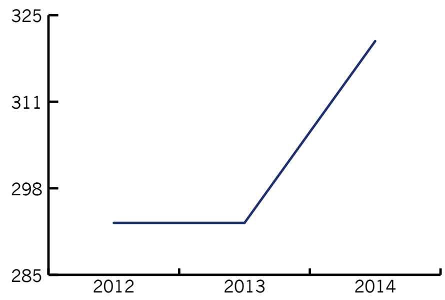
Our CPO production displays gradual increases over the years as a result of increasing FFB yields witnessed in the sector plantations. However, the prevalent biological and weather conditions have adversely impacted the current year's fruit production which has in turn affected the oil production. Nonetheless, we continue to implement best practices focusing towards enhancing site yield potentials, maximise oil content of fruits and improve oil mill extraction rates for the future.

Production Output (MT '000)
Oils and Fats



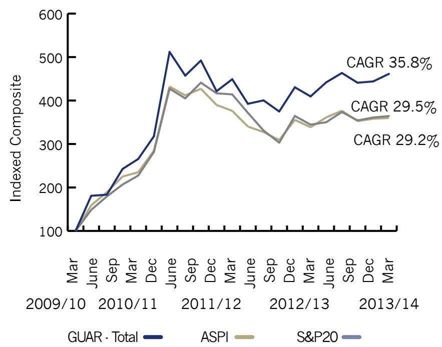
We continue to focus on building the right foundation to gear the business for future growth and enhanced volumes in line with capacity levels, whilst investing on R&D and product development initiatives to enhance margins.

Available Capacity (MT '000)
Oils and Fats



The sector underwent capacity enhancements and plant upgrades during the year under review in order to meet the increased demands foreseen in the future. Thus, production bottlenecks were remedied whilst capacities were increased. The oils and fats segment will also as a result witness improvements through economies of scale.

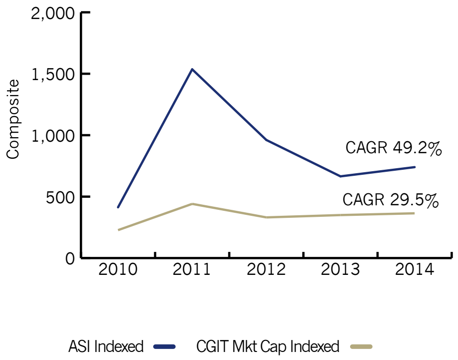
Guardian Group Performance
5 Year CAGR - Portfolio and Asset Management



The Guardian discretionary portfolio has given a 35.8% CAGR return against benchmark ASPI CAGR return of 29.51% taking a long cycle of 5 years. The over performance of 6.29% is due to bottom picking stocks at good intrinsic values taking a long investment horizon of the market, exploiting short term market vagaries.

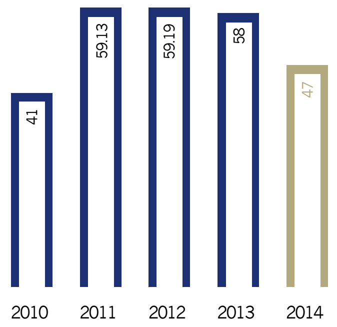
Our Performance - Non Financial Graphical Review

CGIT Market cap growth vs All Share index growth Portfolio and Asset Management



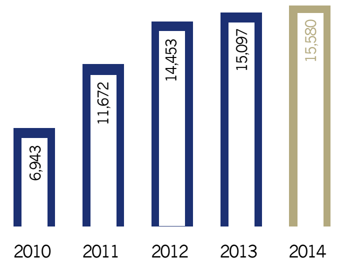
Ceylon Guardian market cap during the last 5 years (2009 Mar to 2014 Mar) has grown by 49.2% against ASPI growth of 29.5% for the same period. Hence an investor in Ceylon Guardian share would have got a return above market return of 19.7% in the last 5 years.

Occupancy rate (%) - Hotel Sector



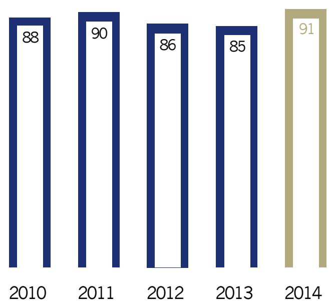
Occupancy rate in our Hotel Sector which showed a steady increase to peak in 2012/13 has started to take a dip thereafter. The expected proliferation of star class room availability would push these trends further south.

Human Resource (Number of Employees) Group



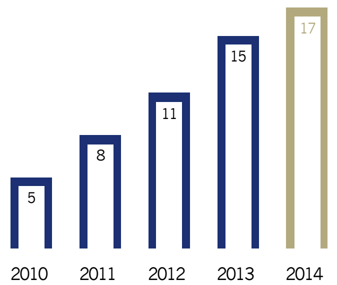
Human Resources continued to grow in order to facilitate the expanding business segments. As at 31st March 2014, the total number of employees stood at 15,580, an improvement of 3.1% over the previous year.

Occupancy rate (%) - Real Estate



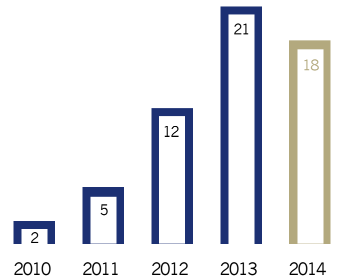
Occupancy rates in our real estate sector which had stagnated due to vacancies at the EQ 2 property got a boost up with the new building in Janadhipathi Mawatha which added 44,000 sq.ft. to the portfolio getting fully occupied by a long term tenant.

Taxes to the Government (Rs. Bn) Group



Group contributed Rs.16.6 Bn as taxes to the Government for FY2014 which is an increase of 9.0% from last year.

Capital Expenditure (Rs. Bn) Group



Capital expenditure incurred on expansions relating to the Plantations, Oils and Fats and Beverage sectors is highlighted in the graph. Capital expenditure translates to earning capacity increase for the future.

Chairman's Statement

Bukit Group recorded a net turnover of Rs. 76.54 Bn , a marginal increase of 1% from Rs. 76.16 Bn recorded last year. However, the resultant profit for the year shows a reduction of 18% to record Rs. 7.87 Bn against Rs. 9.65 Bn of last year.

Dear shareholders,

OVERVIEW

Satisfactory performances were achieved by a number of Group's businesses during the year under review.

Earnings growth was impacted by a weak Indonesian Rupiah and changes in the fair value of Biological Assets in our palm oil plantations assets under Goodhope Asia Holdings Ltd.

Both the currency adjustment and the biological valuation are non-cash adjustment to profitability.

Earnings per share at Company level was Rs. 3.23 for the year under review as compared to Rs. 3.10 reported previous year. However , the consolidated EPS of Rs. 31.67 is a 24% drop from Rs. 41.51 reported last year mainly as a result of the factors mentioned above.

PERFORMANCE

Bukit Group recorded a net turnover of Rs. 76.54 Bn , a marginal increase of 1% from Rs. 76.16 Bn recorded last year. However, the resultant profit for the year shows a reduction of 18% to record Rs. 7.87 Bn against Rs. 9.65 Bn of last year. Though the numbers show an apparent reduction in operational profitability an analysis of profitability in cash terms gives a different perspective as explained below.

Perusal of the statement of Income will show that the impact of change in fair value of Biological Assets (palm oil plantation assets) on profitability has dropped by 35% YoY which is equivalent to Rs. 1.7Bn. Biological valuation is a non-cash adjustment to profitability mandated by Accounting Standards. The second significant YoY disparity arose from the translation of non-current US Dollar borrowings of the plantation sector into Indonesian currency. This again is a non-cash item necessitated by cross-border accounting where the adverse impact on the current financial year's results compared to last year is Rs. 2.1Bn.

On the broad assumption that the rest of the operating activities of the two comparing years were more or less at the same capacity, the above facts highlight that the profit before income tax of year under review was adversely impacted by approx: Rs. 3.8Bn due to non-cash items as against last year. What is to be taken from the explanation above is that, if the impact of this non-cash variance is to be ignored , the profit from operations of the year under review would have easily bettered the previous year's results.

Chairman's Statement

At Company level, revenue, has increased 4% from Rs.389.72 Mn recorded last year to Rs. 404.21Mn this year as a result of increased inter-group dividend income . Similar effect is seen in the profit for the year as well where a profit of Rs.374.02 Mn is reported as against last year's Rs. 359.97 Mn.

Our significant investments in Group companies are through **Carson Cumberbatch PLC and Goodhope Asia Holdings Ltd.**

The Guardian Group which is our **Portfolio and Asset management segment** recorded a consolidated revenue of Rs. 1.82 Bn reflecting a 9.3% increase relative to that of Financial Year 2013.

The Guardian Group contributed a profit after tax of Rs. 1.55 Bn to the group consolidated profits for the year ended 31st March 2014 against the Rs. 1.52 Bn reported for the corresponding period. Guardian Group, through its wholly owned subsidiary, Guardian Fund Management limited, a registered market intermediary, administers a total Assets Under Management (AUM) of Rs.27.68 Bn as at 31st March 2014 , comprising Guardian group portfolio, private investor portfolios, units trusts and Sri Lanka Fund.

Ceylon Beverage Holding PLC and Lion Brewery Ceylon PLC which make up our **Beverage segment** as usual had to face intense competition, low margins due to increased input costs & increased regulatory pressure in addition to the capacity constraints to meet demand which had been the case even last year.

Growth within the industry seems to have tapered off, giving rise to aggressive competition amongst existing industry participants.

Sector contributed a profit after tax of Rs. 1.17Bn to the group's consolidated results as compared to Rs. 1.02Bn achieved during the previous year. The positive movement in profitability was largely contributed by the stoppage of relatively expensive imported canned beer to supplement capacity constraints, in October 2013.

Lion Brewery has successfully concluded most of the proposed expansion in the beer processing section during the year whilst installation of the new state-of-the-art packaging lines - both bottling & canning – are currently underway and will be commissioned shortly.

As informed to the public through recent announcement to Stock Exchange, Lion Brewery Ceylon PLC and its wholly owned subsidiary entered in to a Sale and Purchase Agreement with Cargills (Ceylon) PLC and its subsidiary Millers Brewery Limited to purchase the shareholding including trademarks of Millers Brewery Limited for Rs. 5.15 billion, subject to the completion of the necessary due diligence studies. This strategic acquisition will provide the consumer with a wider choice of products offered by Lion Brewery with expected enhancements in volume & profitability.

Our **Leisure segment** comprising Pegasus Reef Hotel and Giritale Hotel, performances of which did not reflect the trends shown by the tourist arrivals to the country which had shown a 5% YoY increase during the calendar year 2013 as against 2012, reaching 1.08mn tourists. Occupancy at our Pegasus and Giritale hotels showed downward trends resulting in declined turnover and profits. However, this is believed to be a common problem with most star-graded properties due to the emergence of low grade establishment venues which veer away the incoming tourists through internet and other direct channels.

During the year under review, as a result of the strategic directive to increase emphasis on core operations of the group, Group made an exit from the Airline Operations Business, where it was the General Sales Agent (GSA) for Air France & KLM Royal Dutch Airlines.

Real estate segment was able to dispose of its non-developed 6 acre land in Mount Lavinia at a gain, the proceeds of which were used to settle the parent company loan sourced to purchase the said land, substantially. Secondly, sector, completed the renovation of its Janadhipathi mawatha second building at the site whilst securing a long term tenant for the full 44,000 sq ft even as the renovation was in progress. The full impact of the above events could be seen only during next financial year's operations.

One of the factors that impacted on the reported financial performance of the **oil palm plantation segment** was the drastic depreciation of the Indonesia Rupiah during the year. The Indonesian Rupiah dropped to over IDR 12,000 to the USD during the year, being a depreciation of over 30%. Accordingly a turnover of Rs. 22.35 Bn was recorded by this segment during the financial year ended 31st March 2014, as compared to Rs. 25.80 Bn recorded during the previous financial year. However, as aforementioned an exchange translation loss of Rs.2.80 Bn was booked as at 31st March 2014, reflecting the depreciation of the currency as at 31st March 2014. consequently, a net profit after of tax of Rs.5.28 Bn was recorded for the year under review after incorporating exchange valuation losses and gains on biological valuation, compared to Rs.8.71Bn recorded in the previous financial year.

With the reaching of maturity of an extent of approximately over 15,000 ha which is currently at immature stage, sector expect to derive further cost, operational and logistics related efficiencies in the coming 1-3 years. Sector continues its new planting as per the business plans, unabated by the external factors.

The industry environment impacting the **Oils and Fats segment** continues to be a challenging one. The refining capacity in Indonesia has enhanced with many players increasing their refining and processing capacity. Indonesian refiners are provided a relative advantage over their Malaysian counterparts given the differential duty structure that favors domestic refiners. It is anticipated that Indonesia will further adjust the differential duty structure to protect and support its increasing refining capacity.

With the many initiatives undertaken during the year, sector managed to record a turnover of Rs.25.89 Bn for this segment, as compared to Rs. 25.06 Bn recorded in the previous year. The sector posted a net loss of Rs.128.23 Mn for the financial year ended 31st March 2014 a huge improvement from net loss of Rs. 1.53 Bn recorded during the previous financial year.

OUTLOOK

While the Group's businesses have started the year 2014/15 well, it is expected that the overall performance for the year maybe affected by the volatility of uneven market conditions, regulatory and fiscal changes during the year. The Group has expended a total of Rs. 17.8Bn during the year under review on CAPEX on capacity enhancement which would be deriving return in the future years.

My colleagues on the Board and I thank our Group staff numbering over 15,500 currently, policy makers and regulatory authorities, our associates in Business and all our stake holders for their contribution during the year under review.

As Chairman, I thank my colleagues on the Board for their guidance during the year.
A special thank you to our shareholders for your continued confidence placed on us.

(Sgd.)
Hari Selvanathan
Chairman

25th June 2014

Lion Brewery Ceylon PLC and its wholly owned subsidiary entered in to a Sale and Purchase Agreement with Cargills (Ceylon) PLC and its subsidiary Millers Brewery Limited to purchase the shareholding including trademarks of Millers Brewery Limited for Rs. 5.15 billion, subject to the completion of the necessary due diligence studies.

Group Structure

PLANTATIONS, OILS & FATS

- Goodhope Asia Holdings Ltd.
  • 2008* • 88.89%
- Agro Asia Pacific Limited
  • 2010* • 100%
- Premium Nutrients Private Limited
  • 2011* • 100%
- Agro Harapan Lestari Sdn. Bhd.
  • 2007* • 100%
- Shalimar Developments Sdn. Bhd.
  • 1980* • 100%
- Premium Oils & Fats Sdn Bhd
  • 2011* • 100%
- Premium Vegetable Oils Sdn Bhd
  • 1978* • 100%
- Premium Fats Sdn Bhd
  • 1996* • 100%
- Shalimar (Malay) PLC
  • 1909* • 99.26%
- Selinsing PLC
  • 1907* • 96.03%
- Indo-Malay PLC
  • 1906* • 90.45%
- Good Hope PLC
  • 1910* • 94.48%
- Agro Harapan Lestari (Private) Limited
  • 2008* • 100%
- AHL Business Solutions (Private) Limited
  • 2010* • 100%
- PT Agro Indomas
  • 1987* • 91.31%
- PT Agro Bukit
  • 2004* • 95%
- PT Agro Asia Pacific
  • 2008* • 100%
- PT Karya Makmur Sejahtera
  • 2003* • 95%
- PT Agro Harapan Lestari
  • 2007* • 100%
- PT Rim Capital
  • 2006* • 95%
- PT Agrajaya Baktitama
  • 1994* • 95%
- PT Nabire Baru
  • 2008* • 95%
- PT Agro Wana Lestari
  • 2006* • 95%
- PT Batu Mas Sejahtera
  • 2006* • 95%
- PT Sawit Makmur Sejahtera
  • 2008* • 95%
- PT Sumber Hasil Prima
  • 2006* • 95%
- PT Sinar Sawit Andalan
  • 2008* • 95%
- PT Sariwana Adi Perkasa
  • 2008* • 95%
- Arani Agro Oil Industries Private Limited
  • 1986* • 100%

BEVERAGE

- Ceylon Beverage Holdings PLC
  • 1910* • 75.06%
- Lion Brewery (Ceylon) PLC
  • 1996* • 60.39%
- Pubs 'N Places (Private) Limited
  • 2007* • 100%
- Retail Spaces (Private) Limited
  • 2012* • 100%
- Luxury Brands (Private) Limited
  • 2012* • 100%
- Pearl Springs (Private) Limited
  • 2014* • 100%

REAL ESTATE

- Equity One PLC
  • 1981* • 96.27%
- Equity Two PLC
  • 1990* • 88.81%
- Equity Three (Private) Limited
  • 1990* • 100%

LEISURE

- Pegasus Hotels of Ceylon PLC
  • 1966* • 93.09%
- Equity Hotels Limited
  • 1970* • 100%
- Carsons Airline Services (Private) Limited
  • 1993* • 100%
- Riverside Resorts (Private) Limited
  • 2008* • 51%

MANAGEMENT SERVICES

- Carsons Management Services (Private) Limited
  • 1993* • 100%

PORTFOLIO & ASSET MANAGEMENT

- Ceylon Guardian Investment Trust PLC
  • 1951* • 67.15%
- Ceylon Investment PLC
  • 1919* • 64.36%
- Guardian Capital Partners PLC
  • 1920* • 86.22%
- Rubber Investment Trust Limited
  • 1906* • 100%
- Leechman & Company (Private) Limited
  • 1953* • 100%
- Guardian Fund Management Limited
  • 2000* • 100%
- Guardian Acuity Asset Management Limited
  • 2011* • 50%

DIVERSIFIED HOLDING COMPANY

- Carson Cumberbatch PLC
  • 1913* • 45.68%

% refer to group interest
+ refer to associated companies
* refer to year of incorporation

Country of Incorporation/Operation

Sri Lanka Malaysia India
Indonesia Singapore

Corporate Information

NAME OF THE COMPANY

Bukit Darah PLC

COMPANY REGISTRATION NUMBER

PQ 56

LEGAL FORM

A Public Quoted Company with limited liability. Incorporated in Sri Lanka in 1916

BOARD OF DIRECTORS

H. Selvanathan (Chairman)
M. Selvanathan
I. Paulraj
D.C.R. Gunawardena
P.C.P. Tissera
K.C.N. Fernando
L.R. De Lanerolle

ALTERNATE DIRECTOR

K. Selvanathan - for M. Selvanathan

AUDIT COMMITTEE

L.R. De Lanerolle (Chairman)
Non Executive/Independent Director
I. Paulraj - Non Executive/
Independent Director
D.C.R. Gunawardena -
Non Executive Director

REMUNERATION COMMITTEE

I. Paulraj (Chairman)
Non Executive/Independent Director
D.C.R. Gunawardena -
Non Executive Director
L.R. De Lanerolle -
Non-Executive/Independent Director

NOMINATION COMMITTEE

I.Paulraj (Chairman)
Non Executive/Independent Director
D.C.R. Gunawardena -
Non Executive Director
L.R. De Lanerolle -
Non-Executive/Independent Director

BANKERS TO THE GROUP

Standard Chartered Bank
Bank of Ceylon
Citibank NA
Commercial Bank of Ceylon PLC
HSBC
Sampath Bank PLC
Hatton National Bank PLC
Nations Trust Bank
Deutsche Bank A.G.
Public Bank
Pan Asia Bank

AUDITORS

Messrs. KPMG, Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3, Sri Lanka.
Tel: 94 11 5426426
Fax: 94 11 2445872

SECRETARIES

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.
Tel: 94-11-2039200
Fax: 94-11-2039300

REGISTERED OFFICE OF THE COMPANY

No. 61, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.
Tel: 94-11-2039200
Fax: 94-11-2039300

EMAIL

carsons@carcumb.com

CORPORATE WEBSITE

www.carsoncumberbatch.com

Operational Review

OUR INVESTMENTS

Bukit Darah PLC is a passive Investment Holding company having under its portfolio, two substantial investments, namely 45.68% stake in Carson Cumberbatch PLC- a diversified conglomerate listed in the Colombo Stock Exchange, and 35.6% stake in Goodhope Asia Holdings Ltd- an integrated palm oil industry player incorporated in Singapore.

CARSON CUMBERBATCH PLC

Carson Cumberbatch PLC (Carsons) recorded a company level turnover of Rs. 639.29 Mn a drop of 6% as compared to last year's turnover of Rs. 677.14 Mn. The profit after tax recorded of Rs. 375.93 Mn was a 12% increase against Rs. 336.27 Mn recorded last year. The drop in turnover is attributed to the net impact of increased dividend income and reduced inter-company interest income.

Consolidated turnover was Rs.76.54 Bn as against Rs.76.16 Bn of last year which is a marginal increase. Consolidated profit after tax recorded Rs. 7.88 Bn which is a 18% drop compared to last year's Rs. 9.66 Bn.

Given below is a synopsis of the focus area of each of the businesses of Carsons located in Sri Lanka. It is pertinent to note that Carsons has a direct stake of 53.3% in the Company's other investment, Goodhope Asia Holdings Limited, which is reflected in the consolidated results.

Portfolio and asset management business segment

Despite the favourable interest rate regime in place, the Colombo Stock Exchange failed to retain its luster as investor confidence appeared to vary particularly during the second half of the year. Accordingly, for the financial year 2014 the benchmark All Share Price Index recorded marginal growth of 406 basis points, to end at 5,968.31 as at 31st March 2014. The more liquid S&P SL 20 reported a negative 0.41% return for the period under consideration. Beverage Food & Tobacco, Healthcare & Power & Energy sector emerged strong for the period under review whereas Hotels & Travels, Plantations & Diversified sectors underperformed.

Net foreign inflows to the Colombo Stock Exchange amounted to Rs. 22.9 billion for the period under consideration, where banks, conglomerates and multinationals took center stage. During the year, foreign funds were also observed collecting fundamental stocks at low valuations.

The Portfolio & Asset Management Segment, which is commonly known as the "Guardian Group", reported consolidated profit after tax of Rs. 1.56 bn for the year ended 31st March 2014 against the Rs. 1.53 Bn reported for the corresponding period. Sector Revenue stood at Rs. 1.82 bn reflecting a 9.3% increase relative to that of Financial Year 2013. The sector managed to sustain earnings in a volatile market environment amidst much uncertainty due to profits booked on selected stocks and capital gains secured by way of capturing market anomalies.

The total portfolio under the purview of Ceylon Guardian Investment Trust based on market value decreased to Rs. 24.19 bn as at 31st March 2014 against the Rs. 26.03 bn reported previously, depicting a 7% year-on-year decline in value. The discretionary portfolio, valued at Rs. 12.12 Bn as at year ended 31st March 2014 recorded a 4.4% appreciation in value in comparison to the Rs. 11.61 Bn of the corresponding period.

Beverage business segment

The Financial Year concluded was a challenging one for the beer industry with the marked presence of intense competition, low margins & increased regulatory pressure.

As had been mentioned previously, the existence of cheaper illicit alcohol remained a threat to the stability of the industry & industry dynamics. Since of late, in addition to the illicit alcohol manufacturers, a third segment from within the alcohol industry emerged to be capture market share from the licensed manufacturers. Such market participants, who are relative new, have launched brands at margins which are wafer thin or less. Once excise duties & retail margins are paid on their products, the balance available to meet costs of raw materials, labour, transportation, energy & overheads is remarkably little. Margins were further compressed by the excise duty increment imposed in August 2013.

As announced after the end of the Financial Year, sector subsidiary Lion Brewery Ceylon PLC together with a fully owned subsidiary have proposed to acquire Millers Brewery (Pvt) Ltd. The conclusion of the transaction is subject to a due diligence which is currently underway. Once concluded, Lion Brewery is expected to have a more diverse product portfolio which in turn will translate to higher volumes in future.

The Beverage Segment of the group recorded turnover of Rs. 25.8 Bn for the Financial Year 2014 a 12% increment when compared to the previous period. The profit after tax reported of Rs. 1.17 Bn, is a 15% increase from the Rs.1.02 Bn reported as at previous year.

The positive movement in profitability was partly due to the stoppage of relatively expensive imported canned beer in October 2013. The imported canned beer although brought down at higher prices was sold below cost, due to which margins eroded temporarily.

However, the segment encountered factors such as increased input costs & excise duty increments by authorities which challenged the sustainability of margins. Given the price sensitive nature of this industry, the company refrained from passing on the full increase in product costs to consumers, thereby absorbing a considerable portion of the total cost increase.

Total debt outstanding pertaining to the Beverage segment stood at Rs. 6.80 Bn. Of this, long term debt comprised of Rs. 5.50 Bn. A bulk of the debt under this segment represent funds obtained to finance the capacity expansion project.

Going forward, the proposed acquisition of Millers Brewery Ceylon PLC is expected to have some effect on the company's balance sheet.

Under the initial phase of the expansion project, Lion Brewery commissioned a new state of the art brew house at its plant in Biyagama during Financial Year 2013. The Old brew house, which is still in excellent operating condition, coupled with the new brew house represents a substantial increase in brewing capacity.

During the year under review, the company successfully concluded most of the proposed expansion in the processing section. The installation of the new state of the art packaging lines - both bottling & canning – are currently underway and will be commissioned shortly. With these additions, Lion Brewery will be geared to meet the full demand for its beer in the Country, without resorting to importing.

The expansion program was funded entirely via a mix of internally generated funds & external borrowings with no burden on the shareholders.

As had been mentioned previously, the beverage segment of the group continued to be one of the largest sources of tax revenue to the government of Sri Lanka.

During the year under review, the segments contribution to the exchequer amounted to Rs. 16.1 Bn up 9.5% (Rs. 1.4 Bn) from the previous year.

Corporate taxes for the year amounted to Rs. 892.09 Mn based on the discriminatory 40% rate applicable to the alcohol sector. The same for the previous year was at Rs. 572.66 Mn.

The year ahead is likely to be challenging. Volumes in the initial months of the new financial year have been in decline. This trend may continue into the remaining period. In this environment, management is determined to remain focused on its core operations and face the challenging year ahead with confidence.

Leisure business segment

According to data released by the Sri Lanka Tourism Development Authority, tourist arrivals for the calendar year 2013 recorded an year-on-year increase of 26% to 1.27 Mn tourists.

However, the emergence of low grade establishment venues continued to pose a challenge to star class hotels where occupancy is concerned.

Amidst such an environment, The sector recorded a revenue of Rs. 459.46 Mn for the period under review, down by 7.9% relative to the previous financial year due to drop in overall occupancy at both Pegasus Reef and Giritale Hotels, the two hotels making up the sector.

As a result of decline in overall Revenue, coupled with increased direct cost for the period, Gross Profitability recorded by the Pegasus Group trended downwards to Rs. 194.22 Mn for the current financial year, relative to the Rs. 257.15 Mn recorded previously.

Triggered by lower gross profits, Net profitability recorded by the group stood at Rs. 65.38 Mn, a 53.95% drop relative to that of last year.

Future plans are underway to construct a seafood restaurant, new infinity pool and enhance the lobby area, car park and the hotel frontage to incorporate an added touch of elegance to the establishment.

During the year under review, the Carsons Group made an exit from the Airline Operations Business, where it was the General Sales Agent (GSA) for two world class airlines; Air France & KLM Royal Dutch Airlines.

The decision to divest the business arose given the strategic directive to increase emphasis on core operations of the group.

Real Estate business Segment

During the year, sector holding company, Equity One PLC divested the 6 Acre Land located in Mount Lavinia, at a gross consideration of Rs. 571.2 Mn, bearing a positive impact on group financials for the period. The disposal came in the wake of a strategic decision to utilize assets in a more efficient manner. Thereby, the full sum of net proceeds received from the disposal was directed towards repaying debt outstanding in the company. Accordingly, the net borrowing position of the segment witnessed a considerable improvement during the period under review.

Financial Year 2014 also saw completion of renovation and refurbishment activities of the previously vacant property at assessment no: 55, Janadhipathi Mawatha, at a cost of Rs. 208.2 mn. The renovated building added nearly 44,000 sqft. to the group's rentable property portfolio. Immediately upon completion of construction activities, the building was given on long term lease and is currently at 100% occupancy.

The value of the investment property portfolio of the Group stood at Rs. 2.4 bn as at 31st March 2014, comprising of approximately 160,000 square feet of rentable office property and 32,000 square feet of stores property. Accordingly, the office vs stores property mix stood at 83% & 17% respectively.

The segment also witnessed an overall increase in occupancy during the year under review, which led towards increased revenue for the period. Overall occupancy rate of 91% for the period under review as against the 85% reported previously. Accordingly, sector revenue for financial year 2014 stood at Rs. 161.52 Mn, up by 42.6% against that of last year, driven by both increased occupancy and rental revisions.

Further to increased revenue, sector earnings also received a boost from gain on disposal of land which stood at Rs. 79.8 Mn. In addition, change in fair value of investment properties for the period under consideration increased to Rs. 79.21 Mn from the Rs. 62.41 Mn for the previous year.

Accordingly, Segment profitability improved by 96.7% year-on-year to Rs. 198.32 Mn for the current period. The period under review also witnessed a reduction in debt outstanding to the parent company, Carson Cumberbatch PLC. Post repayment, the level of debt outstanding to Carson Cumberbatch PLC reduced substantially, to Rs. 174.7 mn as at 31st March 2014.

GOODHOPE ASIA HOLDINGS LTD (GAHL)

The business of GAHL group remains as an integrated player in Palm oil value chain through its subsidiaries. It has a total land bank of 157,000 hectares under its portfolio out of which 77,575 of gross hectarage is planted. The total crude palm Oil (CPO) produced during the year amounted to 201,027 Metric Tonnes.

Oil palm plantation business segment

During the year under review, year-on-year Palm Oil Production in Indonesia was at a decade low, triggered by unfavorable weather conditions, bearing a hit on palm oil manufacturers in the country across the board.

Palm Oil Prices, which were volatile during the beginning of the Financial Year, stabilized as the year progressed enabled by subdued supply conditions, and improved demand potential stemming from the recent Bio-Diesel Mandate announced by the Indonesian Government. The current industry sentiment on palm oil prices is relatively positive and as such, is expected to trade at current levels and with a possible increase towards the second half of the impending year.

However, overall Fresh Fruit Bunch (FFB) Production for the year concluded was at 958,815 MT's, depicting a drop of 7.1% in comparison to the 1,031,788 MT's reported previously, moving in tandem with change in total industry output for the period. As a result of low FFB production, segment CPO volumes too witnessed a year-on-year decrease of 14.3%, to record output of 201,027 MT's for the period under review.

Whilst the first half of the year was marked with low CPO prices & meager crop production, the six months ended to 31st March 2014 proved to be better for the Oil Palm Plantation segment where crop production picked up as did CPO prices. Therefore the impact of total year-on-year crop drop was mitigated to an extent through higher CPO prices. Revenue reported by the Oil Palm Plantation segment was at Rs. 22.35 Bn for the period, which is a 13.37% dip in comparison to that of last year. In addition to poor crop production, sector performance for the Financial Year 2014 was also affected by the drastic depreciation of Indonesian Rupiah, which fell beyond IDR 12,000 per USD during the year, reflecting a currency depreciation of over 30%. The currency stabilized towards the fourth quarter of the financial year under review, closing the financial year at IDR 11,404 to the USD. The overall movement in currency exchange rates resulted in an exchange loss of Rs. 2.80 Bn for the current period, compared to the loss of Rs. 0.74 Mn reported previously, arising from translation of the dollar loan obtained.

Amidst such challenges, the sectory managed to sustain production costs withstanding the impact of inflationary pressures, through stringent cost management procedures. Further, a number of operational initiatives were put into effect during the year, in order to enhance operational efficiency and generate synergies amongst multiple operating locations within each region. Further, the gain from change in fair value of Biological assets for the period, was down by 34.81% relative to the Rs. 4.88 Bn recorded for Financial Year 2013, carrying a negative impact on group earnings.

Accordingly a net profit of Rs. 5.28 bn was recorded by this segment for the financial year ended 31st March 2014, as compared to Rs. 8.71 bn recorded during the previous financial year, registering a year-on-year deceleration of 39.36%.

The positive market sentiment prevalent, which is expected to continue into the future is envisaged to improve performance of companies within the Oil palm plantations industry. Sector will work towards managing operational costs and increasing planting area by way of enforcing stringent agronomy practices. With the maturity of approximately over 15,000 ha which are currently at immature stage, sector expect to derive further cost, operational and logistics related efficiencies in the coming 1-3 years.

Oils & Fats business segment

The Financial year ended 2014 ended on a positive note for domestic refineries in Indonesia & India due to the differential duty structure favoring domestic players, although the possibility of higher feedstock import cost led by fluctuating currency remains a key risk in the Indian Market. Indonesia witnessed enhanced refining capacity during the period with many players expanding their refining and processing capabilities to cater to the escalating demand potential, stemming from implementation of the new Bio Diesel Policy. With the said policy coming into play, Indonesia is expected to replace India as the largest consumer of Palm oil. Under such circumstances, it is envisaged that the differential duty structure in Indonesia will be adjusted further in favour of the domestic refineries, in order to protect and support its increasing refining capacity. As of present, Indonesian refineries share a relative advantage over their Malaysian counterparts due to the prevalent duty structure.

Despite overall sales prices remaining comparatively low during most part of the year, Revenue reported by the Downstream Oils & Fats Business for the period under review registered growth of 3.33% relative to that of the financial Year 2013, fuelled by the higher sales volumes.

The sales mix for the period witnessed an increase in value added specialty fats sales and a drop in low margin bulk and animal feed sales in comparison to the comparative period of last year.

With increased levels of marketing and market development activities undertaken, sector was also able to enhance volumes in key markets and increase volumes sold to new customers.

During the year under review, sector successfully concluded the expansion of operating capacity within the Malaysian plant. However, given that a significant portion of the capacity expansion project was completed towards the last quarter of the financial year ending 31st March 2014, sector would be able to optimize on the enhanced capacity only during the coming financial year.

The Indian business saw increased competition from local and multinational players who have recently increased focus on the specialty fats business segment, however, the segments Indian operation managed to maintain their continued presence in the market despite the difficulties faced.

Significant developments which took place in this segment for the current year include; commissioning of a dedicated Research and Development facility known as the Premium Innovation Center. This state of the art innovation center consists of advanced analytical facilities, improved pilot processing capabilities and a complete application lab to test the use of our products. This will enable sector to enhance their product mix focusing on value added products, increase operating margins and be able to build long term alliances with our customers.

With the many initiatives undertaken during the year, sector managed to record operating profit of Rs. 271.89 mn for this segment, as compared to the loss of Rs. 985.70 mn recorded in the previous year. The segment posted an overall net loss of Rs. 128.23 Mn for the financial year ending 31st March 2014 as opposed to the net loss of Rs. 1.53 Bn recorded for the corresponding year.

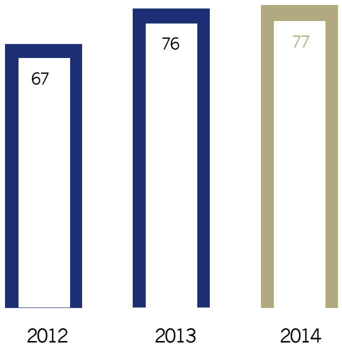
It is also imperative that we consider setting up processing capacities in Indonesia to build volumes over the long term and to be competitive. This will also facilitate to integrate within the upstream plantations segment over the long term.

Conclusion

Business strategy of Bukit Darah PLC had been and will be to hold and benefit from the two key strategic investments it has made over the years. Given the diversity and the geographical spread of the underlying businesses, shareholders of Bukit Darah are substantially hedged against business risks as opposed to being exposed to one business line in one country. Fundamentally, the source of growth for the Company will stem from the fortunes of the global palm oil commodity prices and the economic growth and management drive in the focused sectors in Sri Lanka.

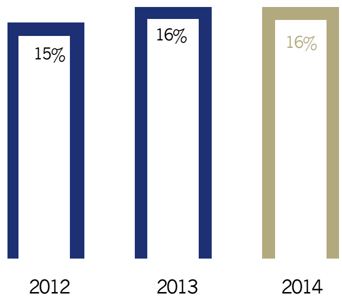
Graphical Financial Review

Revenue - Group
(Rs. Bn.)



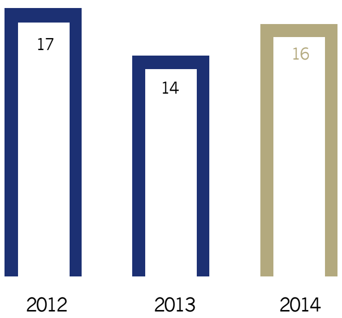
Revenue trends upwards albeit marginally. Stagnant revenue from oil palm plantation segment due to CPO price drop coupled with crop volume drop contributed largely to the performance.

Operating Expenses - Group
(as a pecentage of sales)



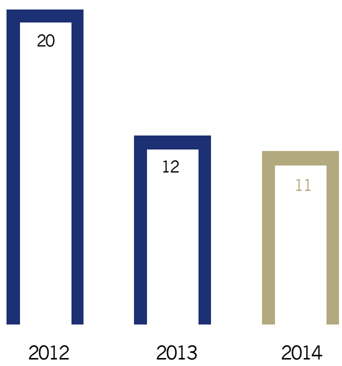
In spite of inflationary external factors, improved cost management efforts, productivity measures overall group wide helped to keep the operating expenses tight.

Group EBITDA (Rs. Bn)



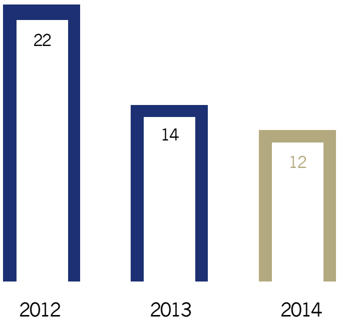
Group EBITDA shows an increase over last year and depicts the groups profitability unmarred by effects of financing options, tax regime and accounting provisions.

Return on Average Assets (ROAA)



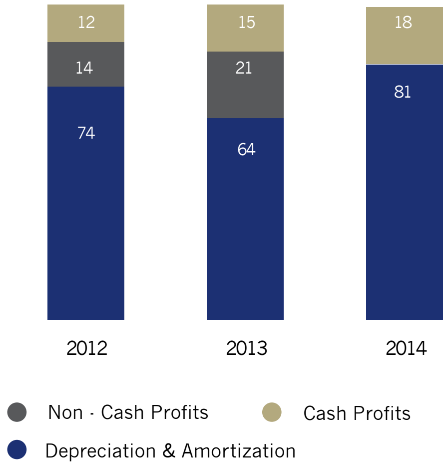
Although the trend shows a declining profile, it must be viewed on the premise that the asset base has increased at a CAGR of 16% where the return to be derived from the CAPEX invested would take a longer maturity due to respective business sector profile.

Return on Equity (ROE)



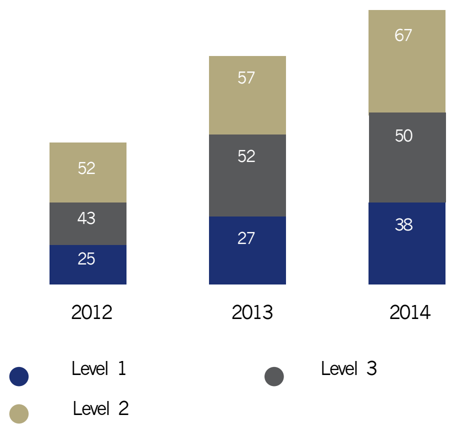
ROE and ROAA show an almost same trend since both are correlated positively. Fair Value appreciations in biological assets and real estate in the group business segments boost up equity whilst the return generation is medium to long term, hence the declining trends.

Group Net Profits Distribution



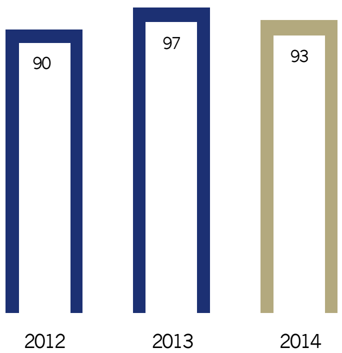
Above analysis indicate that the current year profits reported carry a greater percentage of cash profits as opposed to previous years, which is a good barometer for anyone perusing the accounts to get a clear idea of the cash profit related performance.

Group Financial Assets categories on Fair Value Basis (Rs. Bn.)



The above graph indicates that the Group financial assets are steadily growing over the years and the composition ratio is more or less static. Refer Note No.39 (c) for more description of each level of asset category.

Dividend Payout - Company
%



Company has been regularly distributing almost 90% of the profit available from the current year's performance whilst managing a cash reserve for potential investments.

Group Financial Review

REVENUE

382Mn

	Rs. 000'
2013	76,160,413
2014	76,542,788

Consolidated Revenue for the Financial Year 2014 witnessed an increase over that of last year, though marginal. The upstream Oil Palm Plantations business reported revenue of Rs.22.35Bn for the current year, reflecting a 13.4% dip against that of the previous year, due to decline in Crude Palm Oil (CPO) sales revenue, which resulted from contraction in volumes stemming from a drop in Fresh Fruit Bunch (FFB) production yields. The lower FFB yields were a reflection of the general cropping pattern witnessed in Indonesia and the region, triggered by biological factors arising from the lagging effects of the drought conditions experienced in Central Kalimantan, Indonesia, during the financial year ended March 2014.

CPO prices remained low during the first quarter of the financial year but recovered during the second half, on the back of demand and supply pressures.

The downstream Oils & Fats business witnessed a marginal improvement in performance, with Revenue of Rs.25.89Bn for the period under review, recording a 3.33% year-on-year improvement in topline for the current period. Increased Volumes to key markets triggered by favourable demand and supply drivers fuelled top line growth for the period under review

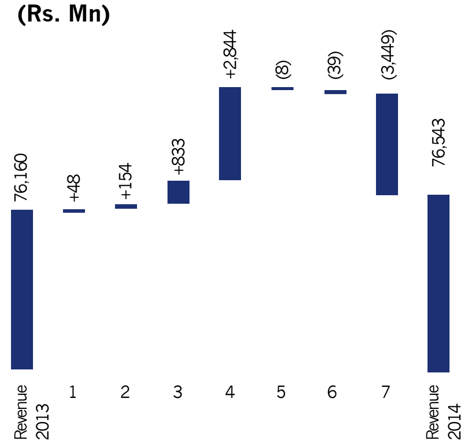
The Beverage Segment experienced a year-on-year increase in topline for the current financial year with Revenue at Rs.25.85Bn, largely resulting from price revisions led by the excise duty increment imposed in August 2013. Further, volumes witnessed an upward movement over the period on account of increased tourist arrivals to the country.

In spite of lackluster performance displayed by the Colombo Stock Exchange during the year under review, the portfolio & asset management segment achieved revenue growth of 9.28% against that of last year, driven by capital gains booked during the period.

Although appearing to be relatively small from a consolidated standpoint, the Real estate sector too recorded a healthy 42.6% Year-on-Year increase in Revenue for the current Financial Year, stemming from addition and letting of nearly 44,000 sq.ft. to the segment property portfolio.

Contribution to topline made by the Leisure segment dropped to 0.60% in Financial Year 2014, as a result of negative 7.92% year-on-year change in Revenue for the current period, mainly due to drop in overall occupancy of the two hotels Pegasus Reef Hotel & Giritale Hotel.

Movement in Group Revenue (Rs. Mn)



Segmental Contribution to Group Revenue

		2013	2014
1	Real Estate	0.15%	0.21%
2	Portfolio & Asset Management	2.18%	2.37%
3	Oils & Fats	32.90%	33.83%
4	Beverage	30.20%	33.76%
5	Investment Holding & Management Services	0.04%	0.03%
6	Leisure	0.66%	0.60%
7	Oil Palm Plantations	33.87%	29.20%

PROFITABILITY

Profit Before Tax (PBT)

2,494Mn

	Rs. 000'
2013	13,627,257
2014	11,133,371

Despite increased Group Revenue for the period, consolidated Profit before Tax declined by 18.30% against the comparable period, to Rs.11.13Bn, which can be largely attributed towards the negative impact from Forex losses and relatively lower Biological gains in the Oil Palm Plantation Sector compared to Financial Year 2013. A detailed description of this is included in the table below, on analysis of sector performance.

The Oil Palm Plantations segment recorded Profit before Tax of Rs.7.53Bn for the period under review relative to the Rs.12.14Bn reported previously, reflecting a 37.98% year-on-year drop. Consequently, the sector contribution towards Group Profit before tax also decreased to 67.63% from the 89.09% reported for Financial Year 2013.

The dip in sector earnings was driven by lower crop production, moving in tandem with the general industry cropping trend explained above and the non-cash foreign exchange loss charged to the income statement due to the significant depreciation of the Indonesian Rupiah. The Indonesian Rupiah closed at IDR 11,404 per USD as of 31st March 2014, from IDR 9,719 per USD as at 1st April 2013.

The adverse movement in the exchange rates affected segment earnings in the form of exchange loss arising from the revaluation of USD denominated borrowings as required by Accounting Standards. Thus, the exchange loss for the period by the segment amounted to Rs.2.80Bn in comparison to the loss of Rs.0.74Bn reported last year.

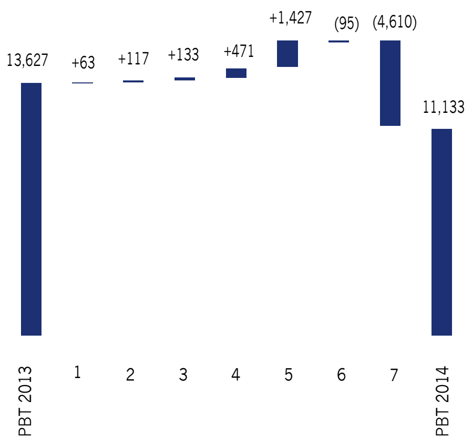
Although overall earnings remained negative, the Oils & Fats segment registered a commendable improvement in profitability, where Loss Before Tax reduced to Rs.192.88Mn compared to the Loss of Rs.1.62Bn reported last year.

The improvement in profitability is mainly attributable towards overall reduction in costs, where cost of sales and overhead costs witnessed a favourable movement, led by decline in feedstock prices and stringent cost control mechanisms respectively.

Apart from costs reductions, the sector also benefitted from the modest increase in revenue for the period under review.

The Beverage Segment too reported a considerable improvement in overall profitability amidst a challenging environment. Profit before Tax recorded by the sector stood at Rs.2.06Bn in comparison to the Rs.1.59Bn registered for the corresponding year.

Movement in Group PBT(Rs. Mn)



Segmental Contribution to Group PBT

		2013	2014
1	Investment Holding & Management Services	-2.34%	-2.30%
2	Portfolio & Asset Management	11.39%	15.00%
3	Real Estate	0.86%	2.25%
4	Beverage	11.67%	18.51%
5	Oils & Fats	-11.89%	-1.73%
6	Leisure	1.22%	0.64%
7	Oil Palm Plantations	89.09%	67.63%

Further, Financial year 2014 proved to be one of significance for the Real estate sector, which witnessed increased earnings on the back of higher occupancy and one off gain from sale of land, amounting to Rs.79.8Mn.

The Portfolio & Asset Management Segment, which reported profit before tax of Rs.1.67Bn for Financial Year 2014, represented a 15% share of consolidated Profit before Tax, whilst the same for last year was 11.39%.

The improvement in sector earnings resulted from profits booked and capital gains secured by way of capturing market anomalies.

Eventhough the Group recorded a lower PBT in comparison to the previous year, pre-tax earnings after adjusting for non-cash gains and losses arising from change in fair value of Biological Assets, Unrealized FOREX Gains/(Losses) and share of results of Associates net of tax improved to Rs.10.59Bn for the period under review, compared to the Rs.9.42Bn reported previously. Thus, the Year-on-Year change in adjusted Group Profit before Tax was at a positive 12.4%.

Profit after Tax

Accordingly, consolidated Profit for the year stood at Rs.7.87Bn for the current period, relative to the Rs.9.64Bn reported for Financial Year 2013.

Analysis of Sector Performance

LKR Mn.	Company FY 2014	Company FY 2013	% Change	Consolidated FY 2014	Consolidated FY 2013	% Change
Turnover	404	390	3.7%	76,543	76,160	0.5%
Reported Profit Before Tax	**377**	**361**	**4.4%**	**11,133**	**13,627**	**-18.3%**
Net Adjustment	-	-	-	(540)	(4,206)	-87.2%
Adjusted Profit Before Tax	**377**	**361**	**4.4%**	**10,593**	**9,421**	**12.4%**

LKR Mn.	Revenue FY 2014	Revenue FY 2013	% Change	Profit Before Tax FY 2014	Profit Before Tax FY 2013	% Change
Portfolio & Asset Management	1,815	1,661	9.2%	1,670	1,552	7.6%
Oil Palm Plantations	22,348	25,798	-13.4%	7,530	12,140	-38.0%
Oils & Fats	25,893	25,059	3.3%	(193)	(1,620)	-88.1%
Beverage	25,846	23,002	12.4%	2,061	1,590	29.6%
Real Estate	162	113	42.6%	250	117	113.9%
Leisure	459	499	-7.9%	71	167	-57.2%
Investment Holding & Management Services	20	28	-27.7%	(256)	(319)	-19.8%
Group Revenue/PBT	**76,543**	**76,160**	**0.5%**	**11,133**	**13,627**	**-18.3%**
Adjustments	-	-	-			
Non Cash Foreign exchange Loss	-	-	-	2,641	667	
Change in Fair value of Biological Assets	-	-	-	(3,182)	(4,881)	
Share of net result of Associate/ Joint Venture	-	-	-	1	8	
Net Adjustment	**-**	**-**	**-**	**(540)**	**(4,206)**	
Adjusted PBT	**-**	**-**	**-**	**10,593**	**9,421**	**12.4%**

Net Debt

3,351Mn

	Rs. 000’
2013	44,300,853
2014	47,652,088

The Group’s Net Debt comprises of Long term and Short Term borrowings, less Cash & Cash Equivalents. In comparison to the Rs.44.30Bn Net Debt reported for Financial Year 2013, the Net Debt for the current financial year was up by 7.6% to Rs.47.65Bn.

A significant portion of the borrowings represent funding obtained for expansions in the Oil Palm Plantations & Oils & Fats Business.

During the year, subsidiary company Lion Brewery Ceylon PLC representing the Beverage segment carried out a debenture issue consisting of 2.5 Mn Rated, Unsecured, and Redeemable Debentures. With the initial issue being oversubscribed, the company proceeded to issue a further 455,000 debentures, taking the total value of debentures issued to Rs.2.955Bn.

Accordingly, the net debt position of the Beverage sector increased to Rs.6.80Bn in comparison to the Rs.4.27Bn for Financial Year 2013.

The Portfolio & Asset management segment was in cash surplus for the year under review, due to profit taking on investments.

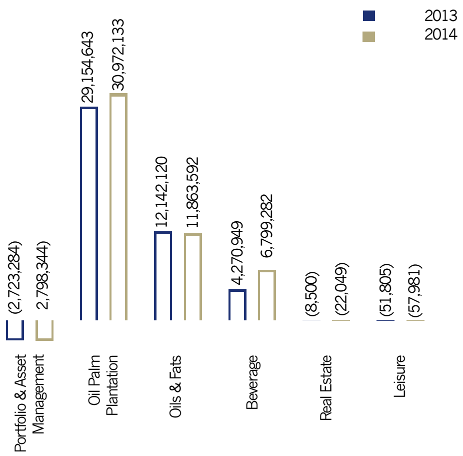
During the financial year, the Oil Palm Plantations sector raised proceeds of USD 60Mn from term loans and USD 18.86Mn from net working capital funding for the utilization of ongoing plantation development programmes and to support working capital requirements of the business segments.

The Group Net Debt Ratio for the Financial Year 2014 stood at 72% whilst the same for the corresponding period was at 66%.

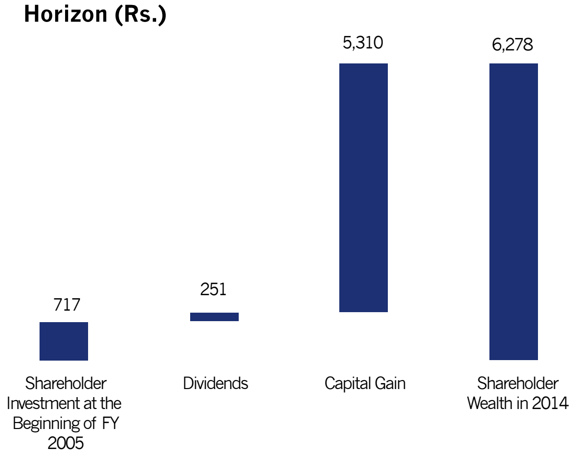
Capital Expenditure and Shareholder Return

Over the years, the Carsons Group has operated on the fundamental principle of pursuing opportunities when required in a timely manner by taking calculated risks. Thus, the group

Segmental Net Debt Position (Rs. 000')



Shareholder Wealth Movement over a Ten Year Horizon (Rs.)

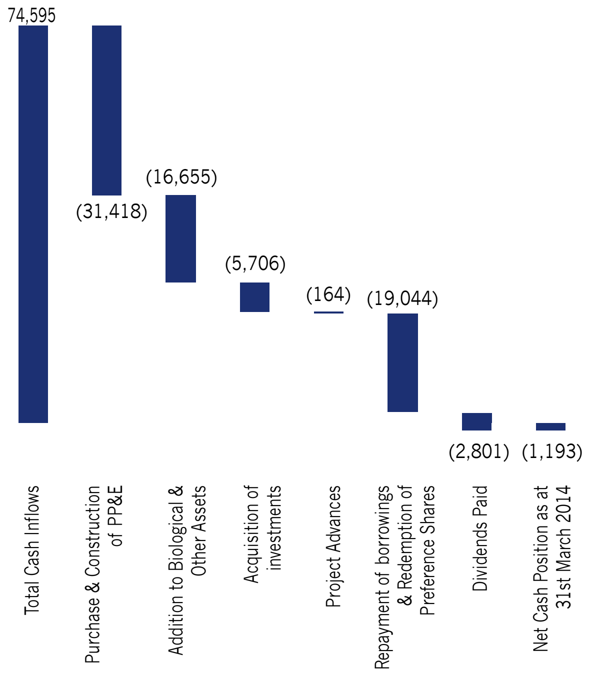


has managed to strike a comfortable balance between the funds raised via reinvested earnings and external debt capital, whilst maintaining a stable dividend payout despite substantial funds deployed for Group's business expansions.

As such, the aforementioned strategy has yielded a cumulative average annual shareholder returns of 24.24% which is well above the ASPI return for the same period which was at 16.61%.

The information presented below is an analysis of how the group has allocated its cash generated from operating, financing and investment activities.

Cash Generation vs. Utlization over three Financial years ending 2014 - (Rs. Mn)



Rs.'000	2012	2013	2014	Total
Cash Inflows				
Opening Cash Balance	8,771,096			8,771,096
Total Cash Inflows from Operating, Investing & Financing Activities	19,168,178	15,635,703	31,020,459	65,824,340
Total Inflows				74,595,436
Cash Outflows				
Investing Activities				
Purchase and Construction of PP&E	(8,828,099)	(12,712,303)	(9,877,698)	(31,418,100)
Addition to Biological assets & other assets	(3,859,362)	(7,133,942)	(5,662,248)	(16,655,552)
Acquisition of new investments and non-controlling interest	(5,065,718)	(413,732)	(226,632)	(5,706,082)
Project Advances	-	-	(163,877)	(163,877)
Total Investing Cash Outflows				(53,943,611)
Financing Activities				
Repayment of borrowing and Redemption of Preference Shares	(9,406,756)	(6,710,384)	(2,926,496)	(19,043,636)
Dividends Paid (Including Dividend paid to Non-Controlling Shareholders and Preference Share holders)	(969,895)	(903,459)	(927,708)	(2,801,062)
Total Outflows from Financing Activities				(21,844,698)
Net Cash Position as at Financial Year Ended 31st March 2014				(1,192,873)

Sustainability Report

The Group provides comprehensive education facilities to the children of employees and in surrounding communities, with 11 owned schools and 80 others

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

In keeping with our ethos in alignment with the World Commission on Environment and Development, we continued to engage in facilitating and developing youth by identifying their needs and aspirations. Carson Cumberbatch PLC has a long-standing commitment towards educating, developing and empowering youth by direct engagement in selected programmes that provide both tangible and intangible long term benefits.

EDUCATION ADVANCEMENT

The Group in businesses with residential workforce provides comprehensive education facilities to the children of employees and also school children of the surrounding communities. Such facilitation extends towards 91 schools that include 11 schools owned by the Group.

SMP Tunas Agro at PT Agro Indomas, Central Kalimantan, Indonesia

Teaching English to Children of Employees

In 2006, a Group company embarked on an ambitious project to teach English to the children of its employees below the rank of middle management. The project provides the opportunity to gain an internationally recognized English education starting as a Young Learner, progressing to Foundation and Intermediate Levels, and finally to achieving the Diploma. The project is conducted in multiple locations in order to avoid inconvenience to the participants.

Annual scholarship awards to Ordinary Level qualifiers, Biyagama, Sri Lanka

Book Distribution for Village Children

For the thirteenth consecutive year, a Group company continued to provide one year's requirement of school books and stationery to children from the Biyagama South Gramasevaka area .This year over 1,750 students received the benefits.

Annual book distribution to school children, Biyagama, Sri Lanka

Supporting the Education of Children of Low Income Families in Hambantota District

The Group continued to support 17 children selected from low income families of the district by offering scholarships to further their education.

Scholarship Scheme for Village Children

Based on the academic merits and achievements as well as parents' income, a Group company continued to select 3 students who have completed their Ordinary Level Examination, and provided them with scholarships to continue their studies through to university education.

Enhancing Employability of Youth in Hambantota

Since 2011, the Group has collaborated with "Tharunyata Hetak" in providing youth with much needed behavioural skills that would enable them to enter the world of work. To date, the project has developed nearly 1,000 youth in Hambantota in batches of 150, improving their English Language, Information Technology and Personality Development skills including personal grooming and fine dining. The intensive four-month curriculum was developed based on a study conducted by the Employers' Federation of Ceylon on what the private sector is looking for from entry level employees.

The programme consistently engaged the service of reputed institutions and professionals in delivering effective, interactive workshop sessions. Out of these 1,000 youth, over 15% have proceeded to gain employment in both the private and public sector,

Behavioural skills development in preparation to world of work: Youth in Hambantota

The Group invests on basic infrastructure development to ensure upliftment of living standards of resident employees.

in addition a considerable number have engaged in higher education and self-employment.

Computer Training Centres

The Group continued facilitating the well-equipped computer centre in Hambantota, that provides internet facility to the students of the "Enhancing Employability" training programme plus visitors to the adjoining Public Library.

In addition to Hambantota, the Group has offered a similar facility; a computer centre in Biyagama to facilitate yesteryear school children.

Socio Economic Development

Economic Empowerment

The main goal of the economic empowerment programme is to uplift the self-reliance status of communities around the Group's plantation operating locations. A core initiative under this is the PLASMA programme, whereby land blocks are specifically allocated to community members and developed in partnership with them. As at date, the programme has successfully developed 4,083 hectares of land.

Health and Safety

Focusing on health and safety, employees are continuously trained and educated in safety procedures and take strategic importance of ensuring adherence to safety standards by regular monitoring and audits for continuous improvement. The Group ensures these practices meet the international standard: OHSAS 18001.

Extending this facility to the external community, the Group organizes health campaigns of preventive medication and appropriate lifestyles. Regular dental and eye clinics are conducted to lift general well-being of people.

Infrastructure Development

The Group invests on basic infrastructure development to ensure upliftment of living standards of resident employees.

The Group also extends infrastructure development to surrounding villages in partnering the government's efforts on Village Electrification Programme.

Culture Preservation

The Group considers it a corporate value, preserving the unique cultures of the communities where they have their business presence. Many sociocultural programmes are being carried out upholding the indigenous cultures and social values.

Building relationships with villages in the neighbourhood of business, the Group collaborate with civil society and government agencies in joint endeavours of uplifting their cultural values.

Sunday school, Agpbopura Temple, Giritale, Sri Lanka

Religious and Social Integrating Activities

Restoration of religious institutions of social significance to benefit the observers of those religious beliefs is the demonstration of the human face of corporate governance of the Group.

The funding and the staff engagement at Giritale Hotel has constructed a new building in Agbopura Temple within the Polonnaruwa area to facilitate Sunday Schools for 200 children in the vicinity which would also fulfil the much needed Dharma Shalawa for the community at large to uphold Buddhist values.

Young Entrepreneurs Development Programme

The year under review marked the formation of a separate entity, the Youth to Nation Foundation, to streamline and provide greater focus to the efforts towards facilitating youth with self-reliance.

One of the CSR initiatives under the Youth to Nation Foundation (YNF) is the "Young Entrepreneurs Development Programme", launched in December 2013. The objective of this programme is to enhance the entrepreneurial, technical and business management skills of young entrepreneurs with a view of promoting sustainable socioeconomic development in Sri Lanka.

Mechanized commercial scale string-hopper maker in Hambantota

The programme identifies young entrepreneurs below 40 years of age through a selection process to ensure economic value creation through usage of local raw materials, provision of employment to skilled youth, integration with other SMEs in further value creation by either earning or saving foreign exchange.

The project was piloted with selected entrepreneurs from the Hambantota District in the food and coir industries, providing them with financial support as well as individualized assistance in areas such as cash management, value chain management, sales and marketing and new product development, to further their businesses. This assistance has also ensured the implementation of good business practices of governance and health and safety of employees, in meeting environmental compliances and improving community relations.

Following these pilot projects, YNF is geared to expand its scope of assistance within the southern region through provision of financial assistance, as well as technical and management incubator facilities.

In order to offer greater benefits to a greater number, the business incubator process also involves conducting workshops in selected clusters, to develop business competencies of young entrepreneurs. The inaugurating workshop was conducted in March 2014 at the Hambantota District Chamber of Commerce, and included participants from Hambantota, Galle and Matara. The respective regional chambers supported YNF in attracting deserving young entrepreneurs to participate in the work shop.

Competency Development Workshop in collaboration with Hambantota regional chamber

Using the experience gained, YNF would conduct similar workshops in other regions to cater to the specific needs of young local entrepreneurs.

CAREER GUIDANCE AND SOFT SKILL DEVELOPMENT FOR UNDERGRADUATES

The Group initiative towards career guidance for undergraduates of national universities would be revitalized in the upcoming year under the Youth to Nation Foundation, to provide more in-depth sessions that would cater to their specific developmental needs.
An in-depth industry survey would be conducted among a diverse range of companies who have earned preferred employer status among new graduates venturing into the world of work. This survey would assist YNF to design and deliver an effective intervention programme in developing much needed competencies.

Further, the undergraduates would be provided access to an internationally recognized personality testing system, to gain timely awareness of their strengths and weaknesses in planning their career path.

ENVIRONMENTAL SUSTAINABILITY ACTIVITIES

Carsons Group of Companies recognizes its responsibilities to conduct its businesses that protect and improve the state of the environment for future generations. As a regional group, it understands that the long-term well-being of society, the well-being of its employees, the strength of the global economy and the continuing success of its businesses depend on unqualified commitment for a sustainable environment.

PLANTATIONS, OILS AND FATS SECTOR

Through the years, the Sector has developed and put in place well-established environmental sustainability policies and practices that are monitored and implemented by a dedicated Environment Management Department. The department is further supported by teams that overlook such matters in each of the plantation locations. This department's key role is to ensure integration of environmental and occupational health and safety standards into all business operations and practices.

Certifications and Awards

The Sector, in line with its commitment to environmental sustainability, obtained RSPO (Roundtable on Sustainable Palm Oil) certification in the previous financial year, for its two mills Sugai Purun and Terawan, located within its most mature plantation in Central Kalimantan, Indonesia. This certification was successfully renewed during the current financial year. As proof of its continued efforts in this regard, another mill is also currently being assessed for RSPO certification and is expected to receive same by the next financial year.

Another initiative that the Sector has been working towards is the synchronization and integration of the RSPO and ISPO (Indonesian Sustainable Palm Oil) certification parameters. In the year under review, an initial implementation at PT Agro Indomas in Central Kalimantan, Indonesia was successfully completed. This model will be used to achieve time bound targets for certification of all the plantation companies in Indonesia by 2018.

The three most mature plantation companies of the Sector are ISO 14001 and OHSAS 18001 certified, while the oils and fats production facilities subscribe to other relevant certifications such as GMP, Halal, Kosher and HACCP and ISO 9001.

Preservation of Bio-diversity

The Sector has in place relevant processes to identify plantation areas with High Conservation Value (HCV) during the new development stage. The areas identified for High Conservation are observed and monitored regularly to ensure the conservation of natural resources, preservation of bio-diversity and protection of endangered species within these areas. Each plantation company adopts and adheres to a clearly set out plan to ensure the continuous preservation of bio-diversity within the plantations.

Barn Owl used as an environmental friendly pest control measure

As of 31 March 2014, the sector has identified in total 32,130 hectares positioned in 14 different locations to be of High Conservation Value.

Further, the Sector continues to organize public awareness programmes to educate the communities surrounding the plantations about the importance of preserving natural resources and species, and placement of boundaries marking HCV areas to prevent trespassing. Such initiatives would uplift the commitment and accountability of all stakeholders to preserve the bio-diversity of plantations.

During the year, the sector continued its commitments with both the Orangutan Foundation International (OFI) and Borneo Orangutan Foundation (BOSF). The agreement with Orangutan Foundation International (OFI) is focused on supporting research on orangutan food while Borneo Orangutan Survival Foundation (BOSF) is to support orangutan rehabilitation and release them to their natural habitat.

The Sector is in discussion to extend agreements with both OFI and BOSF in Central Kalimantan, Indonesia to further strengthen its preservation efforts. The Orangutan Herbarium set up by the sector at the OFI/ Orangutan Care Centre & Quarantine Facility (OCCQ) continues to operate successfully.

Ground cover crop

Environmental Rehabilitation

The Sector initiated an environmental rehabilitation initiative to plant indigenous tree seedlings in areas of High Conservation Value. Thus far, 32,866 indigenous tree seedlings have been planted in 178 hectares of conservation areas in PT Agro Bukit, Central Kalimantan.

Environmental Protection

Protecting the Environment around the plantation operations through a strict adherence to a "No Burning Policy" continues to be a focal point for the Sector. Same policy is adopted both in the Sector's plantations in Malaysia and Indonesia when undertaking land clearing and development activities. Strict adoption of the 'No Burning' policy prevents fire and haze pollution and enables the Sector to be in line with the principles and criteria as set-out by the RSPO.

Further, in order to increase relevant stakeholder awareness regarding adherence to and practice of the Zero Burning Policy, the Sector continues to organize awareness sessions and educate employees and other relevant stakeholders on the critical aspects of zero burning and its related advantages.

BEVERAGE SECTOR

The sector has commenced work to gain accreditation and registration with the Sri Lanka Sustainability Development Centre as a green reporting factory.

The sector has successfully implemented the 3R system (Reduce, Reuse and Recycle) in their production processes for sustainable environmental international benchmark practices. It has also worked the required prerequisites in meeting the OHSAS 19001 certification process that would facilitate certification of standards in 2014/2015.

PEOPLE SUSTAINABILITY ACTIVITIES

Our greatest asset, and the key to our success, is our people. We believe that each of us needs a sense of pride and satisfaction in what we do. Our business objectives both long and short term depend on the united effort of many, therefore we are most effective when we work together, respecting each other's contribution and importance. Our 'people' philosophy is simple. We take on the best people, train them well, provide opportunity for personal and professional growth and then empower them to use their skills and to focus on our clients' needs both internal and external.

Carson Cumberbatch PLC has forged business relationships that transcend geographic and cultural barriers. These bring together the very best resources the world has to offer – ideas, technology, products, services, people, and capital. Strategic alliances with high-quality partners are at the heart of our success as a regional holding company.

As the Group is operating on a regional basis, it is essential that HR practices must respect local legislations and give consideration to varying degrees of development of each business unit and its capacity to advance in the management of its human resources.

Joining Carson's Group

Sustainable success of the sector depends on its capacity to attract, retain and develop employees able to ensure its growth. Carsons' policy is to hire staff with personal attitudes and professional skills enabling them to develop long term relations with the Group.

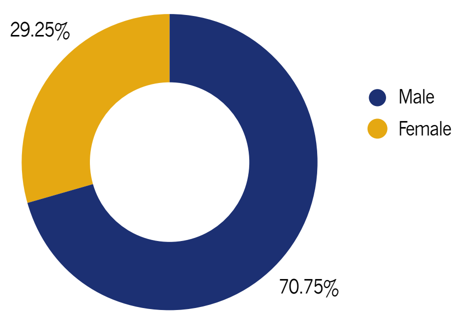
Carsons wishes to maintain and develop its reputation as an employer of high repute. Having contacts with universities,participating at recruitment events and other contacts to ensure good visibility of the Group vis-à-vis relevant recruitment sources enhances the Group's image in the job market.

Group's human resources architecture is based on provider of equal opportunity employment and it has harnessed the Group's effort of valuing diversity.

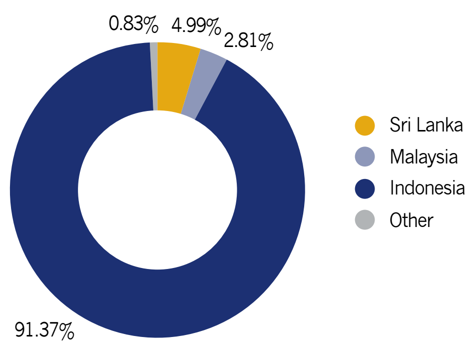
- Training and Professional Development

Learning is part of the Group culture. Each employee at all levels is conscious of the need to continuously up-grade knowledge and skills. Training and development is done based on need analysis and guiding and coaching is part of the responsibility of each manager. Each employee is in charge of his/her own professional development and the Group endeavors to offer the opportunity to progress for those having the determination and the potentials to develop their capabilities.

Gender Diversity



Total Workforce by Country



When formal training programmes are initiated they should be purpose and business oriented and designed to improve relevant skills and competencies. Therefore they are proposed in the framework of individual development planning programmes. Adequate training programmes are developed at the level of each operating company capitalizing the available local, regional and global resources.

- Performance Management

The Group firmly believes that achievement of agreed objectives is a primary responsibility of managers of staff. The feedback is meant to stimulate performance and takes place through open dialogue based on mutual trust, respect and willingness to progress. Formal feedback is given in writing bi-annually to ensure adequate intervention for continuous improvement.

Promotions are exclusively based on competence, insights, performance and potentials, and uphold the true meaning of equal opportunity to employees with excellent performance.

The Group adopts competitive, stimulating and fair remuneration structure offering an overall compensation package. Remuneration includes base salary, and variable compensation based on performance of individual employees.

All operating companies establish compensation practices taking into account relevant business realities as well as internal fairness and regular surveys so as to gather market information on the remuneration levels.

Compensation Committee that constitutes independent directors monitors and advises on strategic issues of the group compensation policy.

Socializing : Annual Staff Party

SECTOR	EXECUTIVE DIRECTORS	MANAGERS	EXECUTIVES	NON-EXECUTIVES	EMPLOYEES BY SECTOR FOR 2013/14
Plantations, Oils and Fats	19	437	655	13,930	15,041
Portfolio & Asset Management	2	5	9	2	18
Beverage	4	52	86	82	224
Real Estate	1	1	6	9	17
Leisure	1	11	23	205	240
Management Services	3	8	23	6	41
Total	30	514	802	14,234	15,580

Recreation at best: Family Staff Trip

- Work Life Balance

The Group believes that employees' private and professional life should have a good balance and reinforces employee's satisfaction and loyalty. The Group supports employees who wish to take an active part in the life of community or assuming responsibilities in professional, civic, cultural or voluntary organizations it being understood that any activity during working hours be first approved by the operating company.

The Group emphasizes socializing of employees, and staff events take important feature of the annual calendar. Staff family engagement of annual trip, children's art exhibition, Christmas party promotes the culture blend of solidarity and sociability at work.

- Health and Safety

The Group reiterates its strategic importance of employees' health and safety at work by ensuring best practices and meeting international standards of repute in the implementation. Regular monitoring and audits of practices has become part of the Group's overall performance measures.

- Industrial Relations

The Group ensures direct and frequent communication with employees and a clear responsibility of management in maintaining harmonious relations with staff under their purview. Managers and supervisors ensure open dialogue and surfacing and addressing issues in enhancing better relations to ensure work life balance and productivity improvements.

BEVERAGE SECTOR

- Consolidating the Performance Based Reward Schemes

The continuing reward schemes of the sector are encouraging to build a performance driven culture that is mutually beneficial to the sector and its employees.

To date, the scheme to recognize and remunerate small initiatives / projects at a special Quick Win forum held 3 times per year has generated an average of 20 to 25 initiatives per session.

- Implementation of an Integrated and Online Human Resource Management System

The Integrated Human Resources Management System has provided the sector an effective and efficient way to manage its employees in the organization, providing a meaningful and well defined link between all HR activities – from staff administration to training and performance management.

- Training and Development

Using Performance Appraisal and Assessment Centres to identify training needs, the sector has given a strategic importance to training and development of staff especially the ones in critical positions. The sector has trained its key staff in leadership at Carlsberg Leadership Building Centre, Asia & National University of Singapore and given exposure and insights to best practices at leading Carlsberg Breweries in Malaysia, Laos and Switzerland. Field sales staff is given training on negotiation skills coaching and mentoring to raise their level of performance and the office and factory employees' business skills.

- Man Power Planning and Management

. In order to align the organization structure with its long-term objectives and strategies, the sector has carried out work studies that resulted in setting up new divisions/ functions. Organisational restructure has brought following functions under a defined and dedicated unit: Administration Division to handle Regulatory Affairs, Compliance & Safety, PR / CSR at village level, Security, Outsourced Services and, Building & Yard Maintenance including House Keeping Innovation Centre was set up with an overall scope of looking at Innovations in Products, Process, Raw & Packaging material and Technology, towards finding effective solutions to meet existing requirements, emerging trends and unarticulated needs.

Have restructured the Draught Beer & Party Line Operation to facilitate total event solutions provider concept.

Enhanced Supply Chain Structure to cater to the commissioning of the new packaging plant and expansion of the Brewing operations

- Employee Engagement Activities

The beverage sector sponsors employees' children English language learning as extension of people development, and also Lions' Family Day, Employees' Children Art Competition, and staff get-together: "Paduru Party" to help build and sustain employee morale.

PLANTATIONS, OILS AND FATS SECTOR

Given the labour intensive nature of the plantations, oils and fats sector, a significant amount of effort is taken with regard to people management across all our operations. During the year under review, the sector has continued its efforts towards creating an effective and sustainable employee value proposition in line with its stated vision of 'being the employer of choice to current and future employees'.

The sector has strengthened its comprehensive human resource management framework that spans all business operations, whilst ensuring its HR strategies, policies and procedures are all aligned towards 'valuing and respecting individuals and supporting their growth and aspirations'.

Being an equal opportunity employer, the sector has continued non-discriminatory recruitment practices. Given the geographical spread of its business operations across different countries, it ensured compliance to international labour laws as well as the country specific laws and regulations.

In pursuing its vision, the sector continues to undertake numerous initiatives to enable employees to develop their careers and improve their skills. Reward and recognition initiatives stimulate and trigger employees' achievements and continuous Improvement.

- Recruitment & Retention

As part of the strategy to retain the talent pool, the sector has deployed various integrated strategies across different levels to strengthen employee engagement. The initiatives have ranged from communication sessions aimed at socializing business goals and cascading organizational values, to employee-led CSR and knowledge sharing initiatives. These activities empower and enable the employees to develop their talents and move forward in their chosen careers, whilst creating sustainable value for the sector.

- Occupational Health and Safety

The sector continues its commitment to internationally recognized health and safety standards through the strict application of policies. Some of the sector's plantation companies are certified OHSAS 18001. Further, as a part of routine operations, other safety measures and standards are practiced in the plantations, mills and refineries of the sector. These include notices and warning and safety signs in prominent places, as well as the strict use of safety gear and equipment as per defined safety guidelines. Employees are trained and monitored on safety, while all related systems and procedures are regularly reviewed to ensure continuous improvement in safety standards. In the plantations, fire teams are in place and regular fire drills are undertaken to ensure readiness in case of fire emergency.

One of the sector's plantation companies, PT Agro Bukit, Central Kalimantan received the prestigious Regency Award for "Zero Accidents" in February 2014. This is the second time a group company has received this award.

- Learning and Development

Through sustained investment in L&D, the sector has continued its efforts towards creating a skilled, knowledgeable and competent workforce which is adaptive, flexible and focused on the future. All interventions undertaken are aimed at facilitating the continuing development and growth of staff by nurturing individual skills and talents.

Awards - World Training & Development Congress 2014

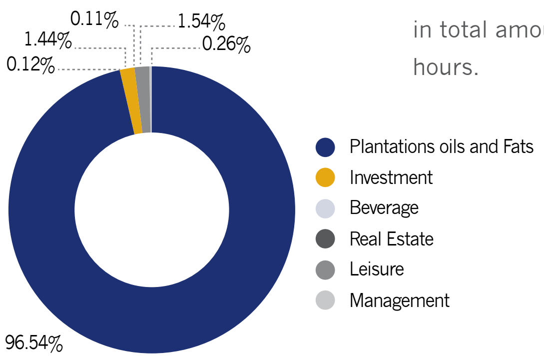
Outbound Training for AHLBS Talent Development

Learning and Development programmes of the sector continue to be overlooked and executed by the Goodhope Academy of Management Excellence (GAME). Well-equipped GAME Centres located at the Corporate Office in Colombo and at PT Agro Indomas (PTAI) in Central Kalimantan, Indonesia, continue to deliver world class training programmes.

Testament to its efforts, GAME has secured numerous international awards including the award for the "Best Leadership Development Programme for Middle Management" at Asia's Training & Development Excellence Awards in August 2013 and the award for the "Most Innovative use of Training and Development as an HR Initiative for Organizational Development" at the Global Training & Development Leadership Awards in February 2014.

In the year under review, GAME conducted 197 training programmes in total amounting to 30,772 man hours.

Employees by Sector



Value Added Statement

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	2014		2013		2012		2011		2010	
Revenue	76,542,788		76,160,413		66,078,183		36,008,053		23,865,375	
Other income	486,522		416,110		562,392		252,379		38,384	
	77,029,310		76,576,523		66,640,575		36,260,432		23,903,759	
Cost of materials and services purchased from outside	(41,721,312)		(41,748,775)		(32,490,166)		(12,839,576)		(9,065,483)	
Value Added	35,307,998		34,827,748		34,150,409		23,420,856		14,838,276	
		%		%		%		%		%
Distributed as follows:										
To Employees as remuneration and other benefits	7,381,200	21	6,583,155	19	5,268,992	15	3,735,545	16	1,777,986	12
To Governments										
as taxation/excise - Sri Lanka	13,601,344	38	12,489,456	36	9,216,232	27	5,740,020	24	3,078,822	21
- Overseas	1,234,454	3	1,732,190	5	2,272,139	7	1,647,571	7	1,376,872	9
To Providers of capital										
as interest on loans	2,073,516	6	1,496,146	4	1,669,457	5	775,413	3	684,011	5
as non controling interest	4,598,484	13	5,365,882	15	6,644,704	19	4,863,701	1	3,704,604	25
as dividend to shareholders (Company)	350,202	1	350,202	1	291,844	1	103,400	0	85,785	1
Retained in the business										
as depreciation	3,143,983	9	2,882,210	8	2,386,493	7	1,547,831	7	1,227,550	8
as retained profits	2,924,815	8	3,928,507	11	6,400,548	19	5,007,375	22	2,902,646	20
	35,307,998	100	34,827,748	100	34,150,409	100	23,420,856	100	14,838,276	100

Note

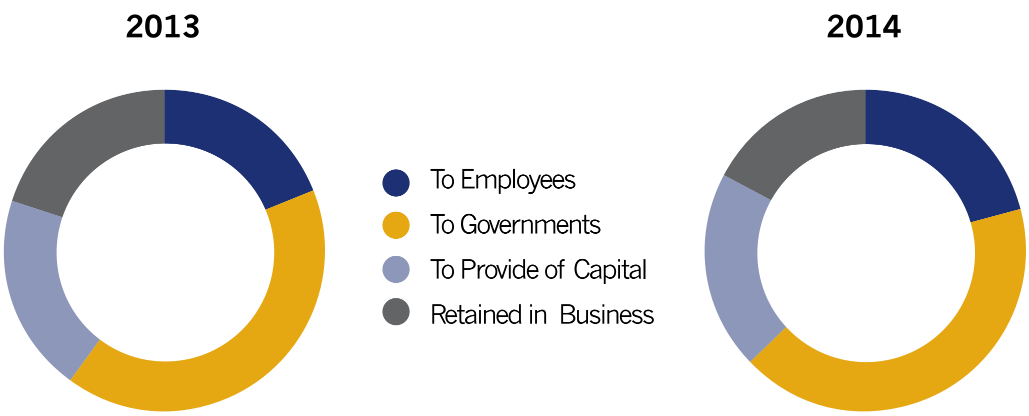
1. The Statement of Value Added shows the quantum of wealth generated by the activities of the companies within the Group, excluding its Joint Venture Companies, and its application.

2. Value Added Tax, Economic Services Charge and Social Responsibility Levy are excluded in arriving at the above revenue. Therefore, total tax liability to the Sri Lankan Government during the year included the following:

	2014	2013	2012	2011	2010
Value Added Tax /Good and Services Tax	3,065,440	2,794,957	2,204,416	1,988,353	1,624,842
Social Responsibility Levy/Nation Building Levy included under net sales above	480,453	431,469	337,641	346,950	45,025
Excise Duty included under net sales above	12,294,312	11,309,633	7,758,627	4,646,616	2,918,917
	15,840,205	14,536,059	10,300,684	6,981,919	4,588,784
Income Tax	826,579	748,354	1,119,964	639,470	75,071
Total Taxes paid to the Government of Sri Lanka	16,666,784	15,284,413	11,420,648	7,621,389	4,663,855

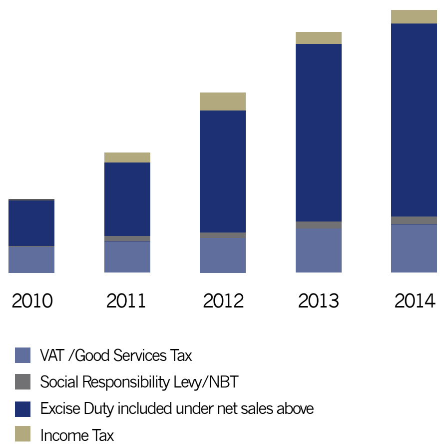
Value Added Statement

Value added is the wealth created by providing products and services in both domestic and international markets, less the cost of providing such products / services. The value added is allocated among the employees, Governments, providers of capital and the balance is retained in the business for expansion and growth.



Being an exemplary corporate citizen, we take pride in full compliance with statutory and regulatory requirements including accruing and paying all due fees and taxes on time. A dominant portion of the value added is distributed to governments both local & overseas in the form of taxes & excise duty.

Taxation Paid to Sri Lankan Government



The portion of value added distributed to the government of Sri Lanka increased from 36% in financial year 2013 to 38% in financial year 2014, whilst the corresponding valued distributed to overseas governments declined to 3% during the period under review from 5% recorded in the previous year.

Directors Profiles

HARI SELVANATHAN

Hari Selvanathan is Deputy Chairman of Carson Cumberbatch PLC and Goodhope Asia Holdings Ltd. He is the President Commissioner of the palm oil related companies in Indonesia. He holds Directorships in several subsidiary companies within the Carsons Group and is also a Director of Sri Krishna Corporation (Private) Limited and the Chairman of Express Newspapers (Ceylon) Ltd. He is also the Chairman of Carsons Management Services (Private) Limited and Agro Harapan Lestari (Private) Limited, the Group's Management companies. Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He counts over 20 years experience in commodity trading in International Markets.

He holds a Bachelor of Commerce Degree.

MANO SELVANATHAN

Mano Selvanathan holds a Bachelors Degree in Commerce and is the Chairman of Sri Krishna Corporation (Private) Limited, Ceylon Finance & Securities (Private) Ltd. and Selinsing PLC and is a Group Director of most Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia, Singapore & India and is an active Member of its Executive Management Forums. He is also the Deputy Chairman of Ceybank Asset Management Ltd.

He has served as the Chairman of the Ceylon Chamber of Commerce and The Indo Lanka Chamber of Commerce & Industry and also as the President of the Rotary Club of Colombo North. At present he is the Honorary Consul of the Republic of Chile in Sri Lanka.

Mano Selvanathan was conferred the highest National Honours in Sri Lanka the 'DESAMANYA' title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation in November 2005.

In January 2011 he was awarded with the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India.

He also received the Presidential Honour of 'ORDER OF KNIGHT COMMANDER' in October 2013 awarded by the Government of Chile.

ISRAEL PAULRAJ

Israel Paulraj is the Chairman of Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC, Guardian Capital Partners PLC and Rubber Investment Trust Limited. He serves as a Director of Carson Cumberbatch PLC and of several of the subsidiary companies within the Carsons Group.

He served as Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has served as Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of The Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka. He has also served as Chairman of the Incorporated Trustees of the Church of Ceylon.

He also served on the Presidential Task Force on Non-Traditional Export and Import Competitive Agriculture set up by President R. Premadasa. He served as Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor of Law Degree and an Executive Diploma in Business Administration.

CHANDIMA GUNAWARDENA

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of Carson Cumberbatch PLC and in most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non-Executive status in the Group, he serves as an advisor to the Group's Strategic Planning and Management forums in Sri Lanka and serves on Board Committees including the Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors of the Group.

Mr. Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He has served in the Management Committee of The Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

CHANDANA TISSERA

Chandana Tissera is a Director of Carson Cumberbatch PLC and presently serves as the Chief Executive Officer for the Plantations, Oils and Fats Sector of the Carsons Group. He is also a Director of several other subsidiary companies of the Group. He has served as the Chief Executive Officer of the Investment Sector and as Director Finance of the Carsons Group.

He has previously served on the Board of Union Assurance PLC and counts over 29 years of experience in the fields of manufacturing, financial services, capital market operations, plantations, project development and management services. He is a Fellow of the Institute of Management, UK.

NALAKE FERNANDO

Nalake Fernando is a Director of the Property Management Companies of the Carson Cumberbatch Group-Equity One PLC and Equity Two PLC. He is also a Director of Carsons Management Services (Private) Limited and in some of the Boards of the Malaysian Plantation Companies of the Carsons Group. He was the Country representative for Sri Lanka with Dalekeller & Associates Ltd., Designers and Skidmore Ownings & Merrill Architects. He was also a Director of SKC Management Services Ltd.

He counts over 40 years of work experience and holds a Technician's Certificate of the Institute of Work Study Practitioners of UK.

LESLIE RALPH DE LANEROLLE

Ralph De Lanerolle has over 46 years of work experience in both the public and private sectors, where he has held senior management positions. A Chartered Engineer, Mr. De Lanerolle holds a Bachelors Degree in Civil Engineering (First Class Honors) from the University of Ceylon (1965) and a Masters Degree from the University of Waterloo, Ontario, Canada (1968). He is a member of the Association of Professional Bankers of Sri Lanka and a Fellow of the Economic Development Institute of the World Bank, Washington.

Mr.De Lanerolle has worked primarily in the field of Project Finance and Management, undertaking assignments in diverse sectors of the economy, especially in the financial services, real estate and property, tourism, hotel and transportation sectors. He has worked as a team leader/ member with several multi-disciplinary groups in carrying out project studies. In an individual capacity, he has served as Consultant to several private companies, providing project related advisory services from pre-investment to implementation.

Mr. Lanerolle has served and continues to serve, on the Board of Directors of several other private and public listed companies.

KRISHNA SELVANATHAN

(Alternate Director to Mr.M.Selvanathan)

Krishna Selvanathan is a Director of Carsons Management Services (Private) Limited, Lion Brewery (Ceylon) PLC and the Investment Sector Companies of the Carsons Group. He is also a Director of Carlsberg India (Pvt) Ltd. He holds a BA Degree in Accounting & Finance and Business Administration from the University of Kent, U.K.

Management Teams

OIL PALM

CORPORATE

Chandana Tissera
Director / Group CEO

Rizan Jiffrey
Director Projects and Business Development

Ms. Janaka Jayawickrama
Director Legal and Corporate Affairs

Kevin de Silva
Director / Chief Operating Officer - Business Systems & Services

Shalike Karunasena
Director / Chief Financial Officer

Sahad Mukthar
Director Corporate Planning

Ms Sharada Selvanathan
Director

PLANTATIONS

Sanjaya Upasena
Director / Chief Operating Officer - Oil Palm Plantations

Christoforus Pakadang
Director / Head of Tax Administration and Local Relations

Ramakrishana Rajoo
Director Plantations Advisory

Rathakrishnan Raman
Director Plantations

Mathew Gomez
Director Engineering

Shaji Thomas
Director Agronomy

Edi Suhardi
Director Sustainability

EDIBLE OILS AND FATS

Jayaprakash Mathavan
Director / Chief Operating Officer - Edible Oils & Fats

T Tharumarajah
Director Business Development

Satish Selvanathan
Director

Thahir Hussain
Director / Head of Business Operations -India

BEVERAGE

Suresh Shah
Director / CEO

Prasanna Amerasinghe
Director - Marketing

Chan Liyanage
Director - Supply Chain

Ranil Goonetilleke
Director - Finance

Stefan Atton
General Manager - Marketing

Preethi De Silva
General Manager -Ran Sahal (Private) Limited

Shamal Boteju
General Manager - Pub Chain

Jeremy David
General Manager – Luxury Brands (Private) Limited

Ms. Sharlene Adams
Head of Exports

Shiyan Jayaweera
Marketing Manager - Regular Category

Madhushanka Ranatunga
Marketing Manager - Premium Category

Shiran Jansz
Head of Sourcing & Procurement

Ms. Nausha Raheem
Head of Human Resources

Nishantha Hulangamuwa
Head of Outbound Supply Chain

Eshantha Salgado
Manager - Quality Assurance

Janaka Bandara
Manager - Production

Chandima Rajapakshe
Head of Sales

Hiran Edirisinghe
Chief Engineer

Daham Gunasena
Financial Controller

Keerthi Kanaheraarachchi
Head of Administration

Chandana Rupasinghe
Manager Packaging

Prasanthan Pathmanathan
Finance Manager - Marketing

PORTFOLIO & ASSET MANAGEMENT

Ms. Ruvini Fernando
Director/ CEO -

Ms. Niloo Jayatilake
Head of Portfolio Management

Vibath Wijesinghe
Financial Controller

Tharinda Jayawardena
Head of Research

Sumith Perera
Fund Manager

Asanka Jayasekara
Manager - Research

Lakmal Wickramaarachchi
Accountant

REAL ESTATE

Nalake Fernando
Director Property Management

S. Rajaram
Head of Engineering

Vibath Wijesinghe
Financial Controller

LEISURE

Paddy Withana
Director - Hotel Sector

Ajith Weeratunge
Director - Management Services

Niranjan Naganathan
Resident Manager - Pegasus Reef Hotel

Kapila Gunatilaka
Chief Accountant

Ms. Mala Munasinghe
Executive Housekeeper

S. Kariyawasam
F & B Manager

D. Feranando
Sales & Marketing Manager

K. Jayathilake
Front Office Manager

Roshan Jayawickrama
Executive Chef

Ganeshan Thiagarajah
Resident Manager - Giritale Hotel

S. Suraweera
Chief Engineer

Senarath Ekanayake
Accountant

Mahinda Tennekoon
House-keeper

Hendrik Nandasena
Chef

Ananda Ratnayake
Restaurant & Bar Manager

MANAGEMENT SERVICES

Ajith Weeratunge
Director

Ms. Keshini De Silva
Director

Krishna Selvanathan
Director

Ms. Amali Alawwa
Head of Legal

Bennett Patternott
Head of HR

Chaminda Premarathne
Head of Group Internal Audit

Sunimal Jayasuriya
Manager - IT

Amal Badugodahewa
Head of Tax

Group Directorate – 2014

PLANTATIONS, OILS & FATS

GOODHOPE ASIA HOLDINGS LTD.

Directors:

Chandra Das S/O Rajagopal Sitaram ** *NEI* (Chairman),
H. Selvanathan (Executive Director & Deputy Chairman),
P.C.P. Tissera,
Abdullah Bin Tarmugi ** *NEI,*
Chan Cheow Tong Jeffery ** *NEI*,
D.C.R. Gunawardena *** *NE & NI*,
J. Mathavan

SHALIMAR DEVELOPMENTS SDN. BHD.

Directors:

H. Selvanathan,
M. Selvanathan,
D.C.R. Gunawardena,
P.C.P. Tissera
Ms. T.Y. Chan,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena,
S. B. Ismail (appointed w.e.f 30/4/2014),
Ms. L. Irene (resigned w.e.f 31/10/2013),
T.W. Sin (appointed w.e.f 31/10/2013 & resigned on 30/4/2014)

PT AGRO INDOMAS

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
M. Tjandrawinata,
I. Paulraj,
M. Ramachandran Nair,
T. de Zoysa,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
S. Bastaman,
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena,
T. Illamurugan

SHALIMAR (MALAY) PLC

Directors:

H. Selvanathan (Chairman),
M. Selvanathan,
I. Paulraj ** *NEI,*
D.C.R.Gunawardena * *NE,*
P.C.P. Tissera,
K.C.N. Fernando,
A.K. Sellayah ** *NEI*

SELINSING PLC

Directors:

M. Selvanathan (Chairman),
H. Selvanathan,
I. Paulraj ** *NEI*,
D.C.R.Gunawardena * *NE,*
P.C.P. Tissera,
C.F. Fernando** *NEI*

INDO-MALAY PLC

Directors:

H. Selvanathan (Chairman),
M. Selvanathan,
I. Paulraj ** *NEI,*
D.C.R.Gunawardena * *NE,*
P.C.P. Tissera,
K.C.N. Fernando,
T. Rodrigo** *NEI*

Alternate Director:
S. Mahendrarajah (for I. Paulraj)

GOOD HOPE PLC

Directors:

H. Selvanathan (Chairman)
M. Selvanathan,
I. Paulraj** *NEI,*
D.C.R.Gunawardena* *NE,*
P.C.P.Tissera
T. Rodrigo** *NEI,*
A.K. Sellayah** *NEI*

Alternate Director:

S. Mahendrarajah (for I. Paulraj)

PT AGRO ASIA PACIFIC

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena,
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena,
J. Mathavan

PT KARYA MAKMUR SEJAHTERA

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena,
T. Illamurugan

* NE - Non-Executive Director　　** NEI - Non-Executive / Independent Director
*** *NE & NI* - Non-Executive / Non Independent Director

PT AGRO HARAPAN LESTARI

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan, (Vice President Commissioner),
I. Paulraj

Directors:

P.C.P. Tissera (President Director),
Ms. J.M.S. Jayawickrama,
C.A.V.S. Upasena,
C.S. Pakadang,
C.S. Karunasena,
Ramakrishan Rajoo,
Ratha K. Raman,
M. Gomez,
E. Suhardi,
S. Thomas George

AGRO HARAPAN LESTARI SDN. BHD.

Directors:

H. Selvanathan,
M. Selvanathan,
J. Mathavan,
P.C.P. Tissera,
Ms. T.Y. Chan,
Ms. J.M.S. Jayawickrama,
C.A.V.S. Upasena,
C.S. Karunasena,
M.R. Jiffrey,
K.G.G. De Silva,
M.S. Mukthar

Alternate Director:

Satish Selvanathan (for H. Selvanathan)

PT AGRO BUKIT

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
I. Paulraj,
D.C.R. Gunawardena,
T. de Zoysa

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
S. Bastaman,
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena,
M.F. Bin Mathunni

AGRO HARAPAN LESTARI (PRIVATE) LIMITED

Directors:

H. Selvanathan (Chairman),
P.C.P. Tissera,
J. Mathavan,
Ms. J.M.S. Jayawickrama,
K.G.G. De Silva,
M.R. Jiffrey,
C.A.V.S. Upasena,
C.S. Karunasena,
S. Mukthar,
Ms. Sharada Selvanathan
(appointed w.e.f 01/04/2013)

Alternate Director:

Satish Selvanathan (for H. Selvanathan)

AHL BUSINESS SOLUTIONS (PRIVATE) LIMITED

Directors:

H. Selvanathan (Chairman),
P.C.P. Tissera,
J. Mathavan,
Ms. J.M.S. Jayawickrama
K.G.G. De Silva,
M.R. Jiffrey,
C.A.V.S. Upasena,
C.S. Karunasena,
S. Mukthar

AGRO ASIA PACIFIC LIMITED

Directors:

H. Selvanathan,
M. Selvanathan,
P.C.P. Tissera,
J. Mathavan
Wong Gang (resigned w.e.f 5/7/2013),
Ms. J.M.S. Jayawickrama,
C.S. Karunasena

Alternate Director:

Tan Wei Shyan (for Wong Gang) - ceased w.e.f 5/7/2013

PT AGRAJAYA BAKTITAMA

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena

PT RIM CAPITAL

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena,
S.C.P. Chelliah

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
M.F. Bin Mathunni,
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena

Group Directorate – 2014

PT AGRO WANA LESTARI

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena,
T. Illamurugan

PT NABIRE BARU

Commissioners:
H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena
M.F. Bin Mathunni

PT BATU MAS SEJAHTERA

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena,

PT SAWIT MAKMUR SEJAHTERA

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena

PT SUMBER HASIL PRIMA

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena

PT SINAR SAWIT ANDALAN

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
C.S. Pakadang,
Ms. J.M.S.Jayawickrama,
C.S. Karunasena

PT SARIWANA ADI PERKASA

Commissioners:

H. Selvanathan (President Commissioner),
M. Selvanathan,
D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President Director),
C.S. Pakadang,
Ms. J.M.S.Jayawickrama,
C.S. Karunasena

ARANI AGRO OIL INDUSTRIES PRIVATE LIMITED

Directors:

H. Selvanathan,
M. Selvanathan,
P.C.P. Tissera,
J. Mathavan,
Ms. J.M.S. Jayawickrama,
T. Tharumarajah,
S.C.P. Chelliah,
C.S. Karunasena,
M.M.T. Hussain (appointed w.e.f 01/04/2013)

PREMIUM OILS & FATS SDN BHD

Directors:

H. Selvanathan,
M. Selvanathan,
J. Mathavan,
P.C.P. Tissera,
Ms. J.M.S. Jayawickrama,
T. Tharumarajah,
C.A.V.S. Upasena,
C.S. Karunasena,
M.R. Jiffrey,
K.G.G. De Silva,
M.S. Mukthar,
Satish Selvanathan (Appointed w.e.f 01/04/2013)

PREMIUM VEGETABLE OILS SDN BHD

Directors:

H. Selvanathan,
M. Selvanathan,
J. Mathavan,
P. C. P. Tissera,
Ms. J.M.S. Jayawickrama,
T. Tharumarajah,
S.C.P. Chelliah,
C.S. Karunasena

PREMIUM FATS SDN BHD

Directors:

H. Selvanathan,
M. Selvanathan,
J. Mathavan,
P.C.P. Tissera,
Ms. J.M.S. Jayawickrama,
T. Tharumarajah,
S.C.P. Chelliah,
C.S. Karunasena

PREMIUM NUTRIENTS PRIVATE LIMITED

Directors:

H. Selvanathan,
M. Selvanathan,
P.C.P. Tissera,
J. Mathavan,
Ms. J.M.S. Jayawickrama,
C.S. Karunasena,
Satish Selvanathan (appointed w.e.f 12/8/2013)

GOODHOPE INVESTMENTS (PRIVATE) LIMITED

Directors:

P.C.P. Tissera (Chairman),
Ms. J.M.S. Jayawickrema,
K.G.G. De Silva,
M.R. Jiffrey,
C.S. Karunasena,
M.S. Mukthar

BEVERAGE

CEYLON BEVERAGE HOLDINGS PLC

Directors:

L.C.R. de C. Wijetunge** *NEI* (Chairman),
H. Selvanathan (Deputy Chairman),
M. Selvanathan (Director/ Alternate Director to H. Selvanathan
S. K. Shah (Chief Executive Officer),
D.C.R. Gunawardena * *NE*,
D.A. Cabraal** *NEI* (appointed w.e.f 1/11/2013),
G.J. Fewkes* *NE* (resigned w.e.f 28/3/2014),
H. J. Andersen* *NE* (appointed w.e.f 1/4/2014)

LION BREWERY (CEYLON) PLC

Directors:

L. C. R. de C.Wijetunge** *NEI* (Chairman),
H. Selvanathan (Deputy Chairman)
S. K. Shah (Chief Executive Officer),
D.C.R.Gunawardena* *NE*,
C. P. Amerasinghe,
C.T. Liyanage,
D. R. P. Goonetilleke,
K. Selvanathan (Director / Alternate Director to H. Selvanathan),
Ms. S.J.F. Evans** *NEI*,
R.E. Bagattini* *NE* (Resigned w.e.f 7/6/2013),
S.G.Lauridsen (Ceased to be Alternate Director to R.E. Bagattini w.e.f 7/6/2013),
S. Ravn* *NE* (Resigned w.e.f 10/6/2013),
Y.F. Lew (Ceased to be Alternate Director to S. Ravn w.e.f 10/6/2013),
H.J. Andersen* *NE* (Appointed w.e.f. 10/6/2013),
S.G. Lauridsen* *NE* (Appointed w.e.f. 10/6/2013 / Resigned w.e.f 20/2/2014,)
Y.F. Lew (Appointed Alternate Director to S.G. Lauridsen w.e.f. 10/6/2013 and Ceased to be Alternate Director to S.G. Lauridsen w.e.f 20/2/2014),
D. A. Cabraal** *NEI* (Appointed w.e.f 01/11/2013),
Y.F. Lew* *NE* (Appointed w.e.f 27/2/2014)

PUBS 'N PLACES (PRIVATE) LIMITED

Directors:

S.K. Shah,
C. P. Amerasinghe,
D.R.P. Goonetilleke,
S.W.M.K.N. Hulangamuwa,
K.R.T. Bandara (resigned w.e.f 15/5/2014),
J.R. Kiridena (resigned w.e.f 28/2/2014)
K.A.W. Heenatigala (resigned w.e.f 18/12/2013)
J.A.A. Jayasinghe (appointed w.e.f 18/12/2013 & resigned w.e.f 16/5/2014)
M.R.B. Ranatunga (appointed w.e.f 1/4/2014)

RETAIL SPACES (PVT) LTD

Directors:

S.K. Shah,
C.P. Amerasinghe,
D.R.P. Goonetilleke,
P.P. de Silva

LUXURY BRANDS (PRIVATE) LIMITED

Directors:

S.K. Shah,
D.R.P. Goonetilleke,
C.P. Amerasinghe,
Ms. N. F. Raheem

PEARL SPRINGS (PRIVATE) LIMITED

Directors:

C.T. Liyanage (Appointed w.e.f 20/5/2014),
Ms. N.F.H. Raheem (Appointed w.e.f 20/5/2014),
D.R.P. Goonetilleke (appointed w.e.f 1/05/2014)

* NE - Non-Executive Director ** NEI - Non-Executive / Independent Director

Group Directorate – 2014

REAL ESTATE

EQUITY ONE PLC

Directors:

D.C.R. Gunawardena* *NE* (Chairman),
S. Nagendra** *NEI*,
K.C.N. Fernando,
E.H. Wijenaike** *NEI*,
A.P. Weeratunge
S. Mahendrarajah** *NEI*,
P.D.D. Fernando** *NEI* (Stepped down from the Board w.e.f 19/6/2013 and appointed to the Board w.e.f 16/7/2013)

EQUITY TWO PLC

Directors:

D.C.R. Gunawardena* *NE* (Chairman),
K.C.N. Fernando,
A.P. Weeratunge,
E.H. Wijenaike** *NEI*,
P.D.D. Fernando** NEI (Stepped down from the Board w.e.f 19/6/2013 and appointed to the Board w.e.f 16/7/2013)

EQUITY THREE (PRIVATE) LIMITED

Directors:

I. Paulraj,
C. F. Fernando,
K. C. N. Fernando

LEISURE

PEGASUS HOTELS OF CEYLON PLC

Directors:

D.C.R. Gunawardena* *NE* (Chairman),
H. Selvanathan,
M. Selvanathan,
S. Nagendra** *NEI*,
P.M. Withana

Alternate Director:

K.C.N. Fernando (for M. Selvanathan)

EQUITY HOTELS LIMITED

Directors:

D.C.R. Gunawardena (Chairman),
P. M. Withana,
V. R. Wijesinghe (appointed w.e.f 17/12/2013)

CARSONS AIRLINE SERVICES (PRIVATE) LIMITED

Directors:

H. Selvanathan (Chairman),
M. Selvanathan,
D.C.R. Gunawardena,
Mrs. M.R. Perera (resigned w.e.f 30/11/2013)

RIVERSIDE RESORTS (PRIVATE) LIMITED

Directors:

H. Selvanathan (Chairman),
S. Mahendrarajah

MANAGEMENT SERVICES

CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED

Directors:

H. Selvanathan (Chairman),
M. Selvanathan,
S.K. Shah,
P.C.P. Tissera,
K.C.N. Fernando,
Mrs. K.D.De Silva,
A.P. Weeratunge,
K. Selvanathan

Alternate Director:

P.C.P. Tissera (for H. Selvanathan)

PORTFOLIO & ASSETS MANAGEMENT

CEYLON GUARDIAN INVESTMENT TRUST PLC

Directors:

I. Paulraj** *NEI* (Chairman),
D.C.R. Gunawardena* *NE*,
A. de Z. Gunasekera** *NEI*,
V.M. Fernando** *NEI*,
Mrs. M.A.R.C. Cooray ** *NEI*,
K. Selvanathan,
C.W. Knight** *NEI*

CEYLON INVESTMENT PLC

Directors:

I. Paulraj** *NEI* (Chairman),
D.C.R. Gunawardena* *NE*,
A.P. Weeratunge,
Mrs. M.A.R.C. Cooray** *NEI*,
A.de.Z Gunasekera** *NEI*,
V.M. Fernando** *NEI*,
K. Selvanathan

GUARDIAN CAPITAL PARTNERS PLC

Directors:

I. Paulraj** *NEI* (Chairman),
S. Mahendrarajah** *NEI*,
D.C.R. Gunawardena* *NE*

Alternate Director:

S. Mahendrarajah (for I. Paulraj)

RUBBER INVESTMENT TRUST LIMITED

Directors:

I. Paulraj (Chairman),
D.C.R. Gunawardena,
A.P. Weeratunge

* NE - Non-Executive Director   ** NEI - Non-Executive / Independent Director

Alternate Director:

A.P. Weeratunge (for I. Paulraj and D.C.R. Gunawardena)

LEECHMAN & COMPANY (PRIVATE) LIMITED

Directors:

H. Selvanathan,
M. Selvanathan,
S. Mahendrarajah

GUARDIAN FUND MANAGEMENT LIMITED

Directors:

Mrs. W.Y.R. Fernando,
Mrs. B.D.N. Jayatilake,
K. Selvanathan,
A.P. Weeratunge

Alternate Director:

M.A.T. Jayawardana (for Mrs. B.D.N. Jayatilake) –appointed w.e.f 1/5/2014

GUARDIAN ACUITY ASSET MANAGEMENT LIMITED

Directors:

D.C.R. Gunawardena (Ceased to be the Chairman by rotation on 19/6/2013),
R. Theagarajah (Resigned w.e.f 1/05/2013),
T. W. de Silva (appointed Chairman by rotation on 24/7/2013),
M. R. Abeywardena,
K. Selvanathan,
Mrs. W. Y. R. Fernando,
D. P. N. Rodrigo (appointed w.e.f 30/9/2013)

Alternate Directors:

Mrs. B.D.N. Jayatilake
(for D.C.R. Gunawardena),
I. A. S. P. Fernando (for R. Theagarajah - Ceased on 01/05/2013)

CARSON CUMBERBATCH PLC

Directors:

T. de Zoysa ** *NEI* (Chairman),
H. Selvanathan (Deputy Chairman),
M. Selvanathan,
I. Paulraj * *NEI* ,
D.C.R. Gunawardena * *NE,*
P.C. P. Tissera,
S.K. Shah,
V. P. Malalasekera ** *NEI,*
M. Moonesinghe ** *NEI* (Resigned w.e.f 31/03/2014),
F. Mohideen ** *NEI,*
R. Theagarajah ** *NEI,*

Alternate Director:

K. Selvanathan for M. Selvanathan),
S. Selvanathan for H. Selvanathan)

* NE - Non-Executive Director　　** NEI - Non-Executive / Independent Director

Audit Committee Report

The Audit Committee of the Company comprises of three Members, as follows :

Audit Committee Members	Executive / Non-Executive/ Independent
Mr. Ralph De Lanerolle (Chairman)	Non-Executive, Independent
Mr. Chandima Gunawardena	Non-Executive
Mr. Israel Paulraj	Non-Executive, Independent

Mr.Ralph De Lanerolle is a Director of Overseas Realty (Ceylon) PLC.

Mr.Chandima Gunawardena is a Non-Executive Director of Carson Cumberbatch PLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

Mr.Israel Paulraj is a Non-Executive, Independent Director of Carson Cumberbatch PLC and in some of its Group Companies.

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with Company policies and procedures, laws and regulations and the code of conduct and the identification of and management of risks that would impact on the Company's business activities.

Bukit Darah PLC-Audit Committee held 05 Meetings during the financial year to discuss matters relating to the Company and the attendance of the Members of the Audit Committee was as follows :

Audit Committee Members	Meetings attended (out of five)
Mr. Ralph De Lanerolle (Chairman)	05
Mr. Chandima Gunawardena	05
Mr. Israel Paulraj	05

The Chief Financial Officer, internal auditors and senior management staff members also attended the Audit Committee Meetings by invitation.

The Committee met the External Auditors, Messrs.KPMG twice during the year, i.e. to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Audit Committee also met the External Auditors and discussed the draft Financial Report and Accounts, without the management being present.

The findings and contents of the Group Internal audit reports have been discussed with the management and subsequently the audit reports were circulated to the Audit Committee and to the management.

The objectives of the GIA work was to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective/ preventive action where necessary.

The interim financial statements of the Company have been reviewed by the Audit Committee Members at Audit Committee Meetings.

The Audit Committee approved the audit plan for the financial year 2013/2014 and the Group Internal Audit (GIA) carried out 02 detailed audits of processes of the Company.

The draft financial statements of the Company for the year ended 31st March 2014 were reviewed at a Meeting of the Audit Committee, together with the External Auditors, Messrs.KPMG, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required, by Carsons Management Services (Private) Limited that the said financial statements were prepared in accordance with the

Sri Lanka Accounting Standards and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which have become applicable for the financial period beginning on or after 1st January 2014/2015.

However, these standards have not been applied when preparing the current year financial statements.

- Sri Lanka Accounting Standards - SLFRS 10 " Consolidated financial statements"
- Sri Lanka Accounting Standards - SLFRS 11 " Joint Arrangements"
- Sri Lanka Accounting Standards - SLFRS 12 " Disclosure of Interest in Other Entities"
- Sri Lanka Accounting Standards - SLFRS 13 " Fair Value Measurement"

The Audit Committee obtains confirmation from the respective management that all fair value computations are either carried out by independent qualified valuers (i.e. biological valuations) or calculated according to a set approved formula (i.e. equity investment valuations).

The Audit Committee has determined that Messrs.KPMG, Chartered Accountants, Auditors were independent on the basis that they did not carry out any management related functions of the Company.

The Audit Committee has concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2015, subject to the approval of the shareholders at the Annual General Meeting.

(Sgd.)
L.R. De Lanerolle
Chairman – Audit Committee
Bukit Darah PLC

Colombo
25th June 2014

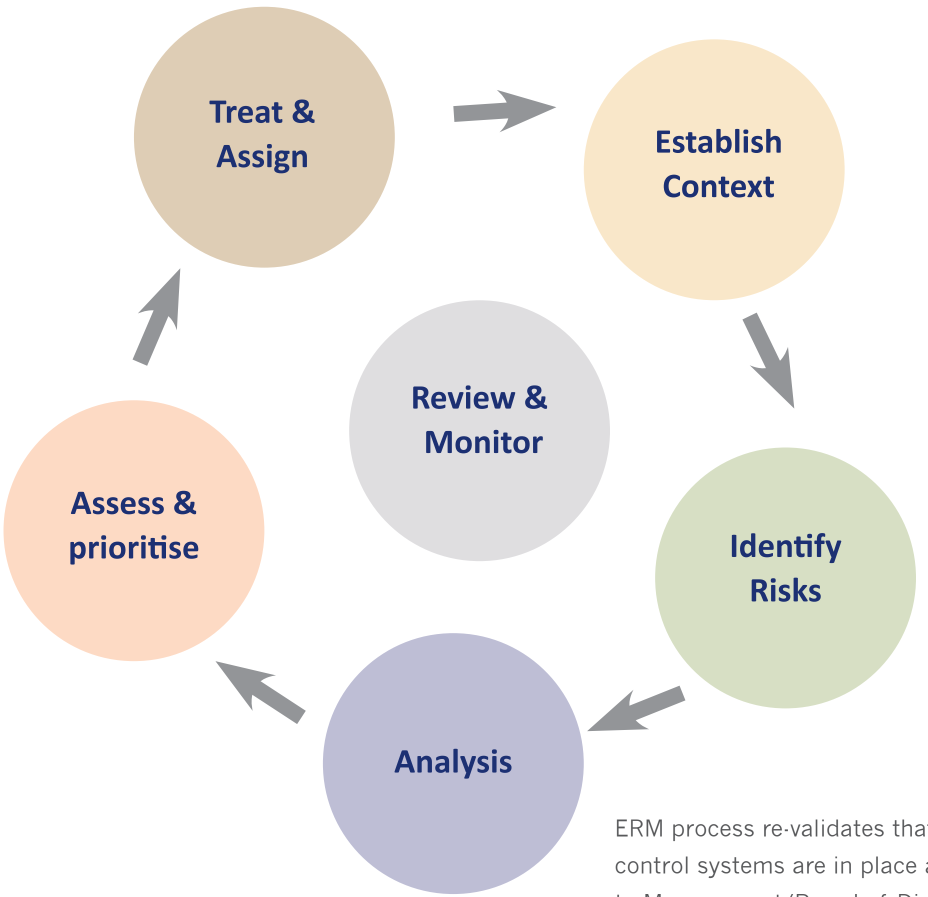
Risk Management

The Bukit Darah PLC is a diversified conglomerate. Bukit Darah PLC with global operations is exposed to a great variety of risks which are either general in nature or industry/country specific. As a result risk management has become an integral part of business and management. These practices provide reasonable assurance through the process of identification and management of events, situations, or circumstances which even if they occur would not adversely impact the achievement of objectives of the business. In other words risk management practices will ensure minimum impact from adverse events and will help to maximize the realization of opportunities whilst risks are managed until they are mitigated and re-assessed to be within sector's risk appetite.

Enterprise Risk Management (ERM) provides a common process and terminology for all risk management activities. Its main goals focus on fostering risk awareness and promoting proactive management of threats and opportunities.

In implementing the business plan, the Group has embodied enterprise risk management to its business activities. This risk management process supports;

- Corporate Governance
- Quality of business planning
- Audit planning
- Project planning and implementation
- Building confidence of various stakeholder groups



ERM process re-validates that the relevant internal control systems are in place and provides assurance to Management/Board of Directors that processes are robust and working effectively.

Risk Management Governance Structure includes a reporting framework within the organisation and to the Board of Directors, thereby allowing Directors to assume their supervisory function for better Corporate Governance.

Board of Directors

- Responsible for approval of ERM framework
- Set risk appetite threshold
- Approve Business Plans
- Review reports – Risk Dash Board & summary of risk register

Audit Committee

- Considers adequacy of risk management and internal control framework
- Receive and review risk management reports, Dashboard/ Risk register
- Receive and review reports from internal and external auditors

Management Team

- Define and set Risk appetite and considers new and emerging risks
- Develop/monitor suitable action plans to mitigate/ manage risks
- Considers actions to improve risk management process
- Provide representation on compliances.

Risk owners

- Responsible for day to day monitoring / supervision of risk and risk mitigation actions
- Required to evaluate status of risk and effectiveness of risk mitigation action plans

We are of the view that Risk Management is one of the driving factors of sustainability of operations and have identified the following risk profiles. The principal risks thus identified are considered and reviewed at various stages within our business process continuously.

Risk	Impact	Risk Responses and Strategies
Commodity Price Risk	Volatility in global prices is not a rear occurrence to the commodity market. The selling prices of Crude Palm Oil (CPO) and purchase prices of raw materials are influenced by market dynamics; hence the impact on turnover and profitability would be significant when the subdued prices are prolonged over period of time.	Plantation, Oils and Fats sector Manage the price volatility and cash flows, by way of hedging mechanisms either by entering into forward sales contracts or by using derivatives in the futures market. Beverage sector continuously monitor commodity prices of raw materials and enters into forward contracts for buying major raw materials with the assistance of international business partner or on its own. Further, for local brands the production facility is made agile so that different combinations of raw materials could be used without compromising on either the taste or quality.
General Securities Risk	Any trading in securities carries inherent investment risks associated with the entity issuing those securities. In particular the price or value of any security can and does fluctuate and may even become valueless, resulting in possible loss not only of returns and profits, but even also of all or part of the principal sums invested. These risks arise as a result of the overall risks faced by the issuing entity which affects its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities, past performance of any investment is not necessarily indicative of future performance. At Guardian our approach focuses on the fact that there is no substitute for fundamental individual security assessment.	Investment sector • Sound internal research processes • Once an investment is made a continuous process of monitoring the performance of that investment is adopted. • Manage the concentration risk arising from over exposure to one security by monitoring sector exposure and single company exposure as mitigation strategies. Further, private equity exposure limits at company and group level are monitored as another measure of managing risk. Loss limits are set to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern. This helps us mitigate the downside risk of any security in the portfolio. • Market risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario. • In the case of private equity, Board representation in proportion to the investment for stakes over 10% is considered necessary while for smaller stakes, monitoring mechanisms to facilitate constant evaluation of the investment will be built into the shareholder agreement.

Risk	Impact	Risk Responses and Strategies
Land Ownership	One of the significant issues faced in Indonesia by the plantation companies is the conflict with local communities with regard to clear land titles and ownership that is caused by lack of clarity between authorities on the land status which have been allocated for plantation development. Despite efforts taken by various stakeholders land problems constantly affect the operational goals resulting development delays and business disruption.	Plantation Sector • Ensure that all required approvals from the respective authorities are obtained and validated prior to commencement of land development • Conduct complete due diligence of permits and licenses to ensure compliance • Establish and maintain sound relationship with key personal • Have in place a plan to complete the land compensation within the stipulated time
Human Resource Risk	Being unable to recruit and retain appropriately skilled employees could adversely affect the ability to grow and maintain a competitive position in the market place.	The following initiatives have been implemented by the Group. • Ensure recruitments are carried out to hire employees with required qualification, knowledge and experience • Availability of detailed job descriptions and role profiles for each job. • Human resource policies are focused on encouraging continuous training and development and ensuring appropriate compensation as per market rates to retain and develop employees.
Foreign Exchange Risk	Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currently Plantations, Oils and Fats and Beverage sectors are exposed to foreign currency exchange rate movements, primarily in US Dollar on its US Dollar denominated bank loans and foreign currency denominated supplies.	Assets, liabilities and other operational expenses which arise from daily operations are primarily denominated in the functional currencies. Resort to forward booking as appropriate and seek to match the foreign currency inflows and outflows as an internal hedging mechanism.

Risk Management

Risk	Impact	Risk Responses and Strategies
Business Environment Risks	Unfavourable global and local weather patterns resulting in adverse weather conditions, natural and man-made disasters including fires and haze from fires, droughts, floods, pestilence and crop disease could reduce the amount or quality of FFB we are able to harvest.	Continuous focus on best and sustainable agronomy and plantation management practices to minimize the impact.
Liquidity Risk	The risk that a sector cannot easily meet its operational and financial obligations due to unavailability of sufficient funds that may interrupt the smooth functioning of the day to day operations.	• Manage such an exposure through effective working capital management • Maintain sufficient credit facilities • Develop policies and procedures to plan liquidity based on medium term plans. Investment sector • Investing in companies with a reasonable free float and where securities are heavily traded. Also by limiting the portfolio's buy list to highly traded blue chips, the risk of liquidity can be mitigated. Good research will enable the fund team to identify changes in fundamentals and be proactive in investment decision making. • In the case of private equity, liquidity risks are difficult to manage due to time bound exit strategies. However, our insistence on one or two fall back exit options being built into the shareholder agreement ensures that eventually private equity projects will end up in an encashable state with at least a minimum return.
Credit Risk	Each sector is exposed to credit risk primarily from its trade receivables, which arise from its operating activities and its deposits with Banking Institutions.	Individual companies exercise some of the following controls to mitigate this risk. • Implementation of credit policies • Continuous and regular evaluation of creditworthiness of customers • Ongoing monitoring of receivable balances. • Covering credit exposure through a combination of bank guarantees & discounting of credit to banks with no recourse to the company.

Risk	Impact	Risk Responses and Strategies
Interest Rate	The interest rates on most of our loans and borrowings are currently on a floating basis. As such, our financial performance may be affected by changes in prevailing interest rates in the financial market.	• Financial strength of the Bukit Darah PLC is used via group treasury in negotiating the rates. • Plantation sector will pursue derivative mechanisms such as interest swaps, where necessary. • Obtaining a combination of loans linked to AWDR/ SLIBOR/AWPLR & LIBOR
Systems and process risks	The risk of direct or indirect losses due to inadequate or failed internal processes and systems.	• Maintain detail procedure manuals and provide training and guidelines for new recruits. • The internal audit function of the Group carryout regular review on internal control systems and processes and recommends process improvements if shortcomings are noted.
Legal and Regulatory Compliance	Failure to comply with regulatory and legal framework applicable to the Group.	• The management together with the Bukit Darah group legal division proactively identifies and set up appropriate systems and processes for legal and regulatory compliance in respect of Sector operations. • Arrange training programs and circulate updates for key employees on new / revised laws & regulations on need basis. • Provide comments on draft laws to government and regulatory authorities. • Obtain comments and interpretations from external legal consultants on areas that require clarity. • Obtain compliance certificates from management on quarterly basis on compliance with relevant laws and regulations.

Information to Shareholders & Investors

1 STOCK EXCHANGE LISTING

Bukit Darah PLC is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka.(CSE)

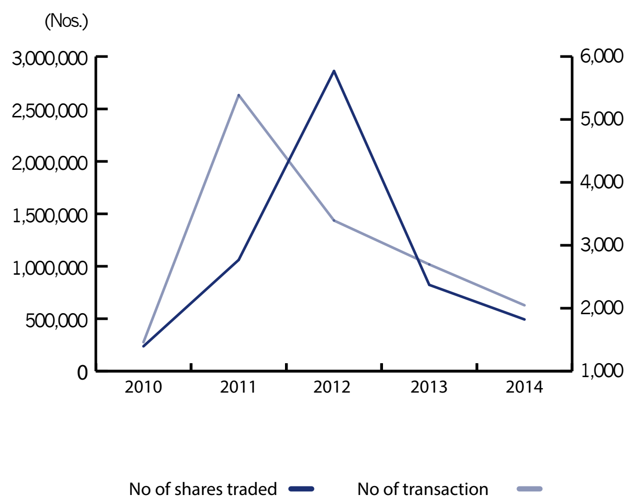
2 MARKET CAPITALISATION AND MARKET PRICE

Market Capitalization of the Company's share, which is the number of ordinary share in issues multiplied by the market value of a share, was Rs. 60,272 Mn as at 31st March 2014. (Rs. 71,961 Mn as at 31st March 2013)

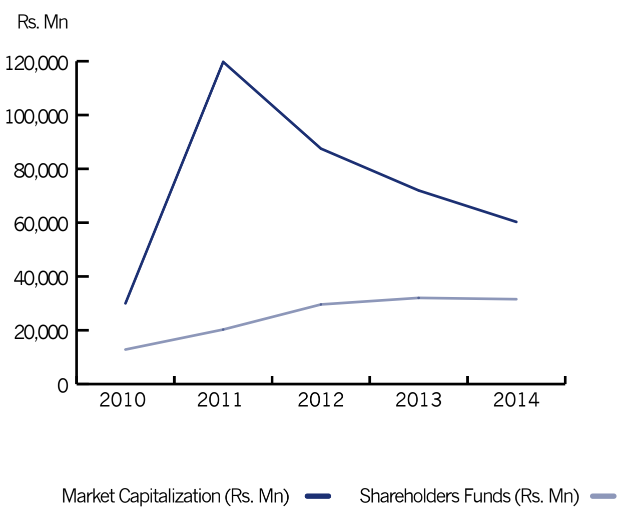
The Information on Market prices are set out below :

	2014	Q4	Q3	Q2	Q1	2013
Share Information						
Highest price (Rs.)	755	620	700	700	755	950
Lowest price (Rs.)	538	538	612	653	691	652
As at periods end (Rs.)	591	591	620	672	696	706
Trading Statistics						
No of transactions	2,047	555	425	408	659	2,696
No of shares traded	493,062	168,028	46,913	182,166	95,955	822,818
Value of all shares Traded (Rs. Mn)	316	94	30	124	68	591
Market Capitalization (Rs. Mn)	60,272	60,272	63,230	68,544	70,951	71,961
Enterprise Value (Rs. Mn)	144,114	142,946	146,727	148,467	151,548	151,102

Share Trading



Shareholders fund & Market Capitalization



3 SHAREHOLDER BASE

The total number of shareholders as at 31st March 2014 was 1,945 compared to the 2,059 as at 31st March 2013. The number of ordinary shares held by non-residents as at 31st March 2014 was 21,836,644 which amounts to 21.41 % of the total number of ordinary shares.

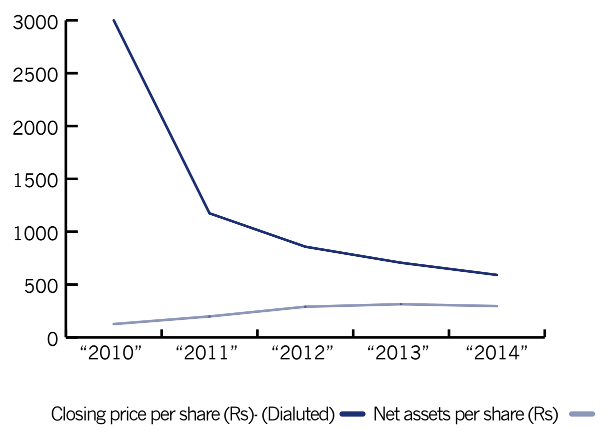
4 DISTRIBUTION AND COMPOSITION OF SHAREHOLDERS

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	1,658	194,702	0.19%	17	6,026	0.01%	1,675	200,728	0.20%
1,001 - 10,000	168	473,597	0.46%	9	30,496	0.03%	177	504,093	0.49%
10,001 - 100,000	40	1,345,399	1.32%	15	538,973	0.53%	55	1,884,372	1.85%
100,001 - 1,000,000	13	2,693,724	2.64%	11	3,946,649	3.87%	24	6,640,373	6.51%
Above 1,000,000	12	75,455,934	73.98%	2	17,314,500	16.98%	14	92,770,434	90.95%
Total	1,891	80,163,356	78.59%	54	21,836,644	21.41%	1,945	102,000,000	100.00%

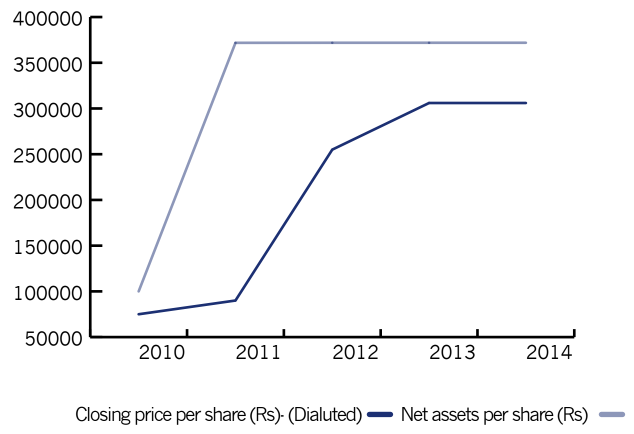
5 COMPOSITION OF SHAREHOLDERS

Ordinary Shares	31st March, 2014			31st March, 2013		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	1,809	6,060,198	5.94	1911	6,181,681	6.06
Institutions	136	95,939,802	94.06	148	95,818,319	93.94
Total	1,945	102,000,000	100.00	2,059	102,000,000	100.00
Residents	1,891	80,163,356	78.59	2,001	79,923,887	78.36
Non Residents	54	21,836,644	21.41	58	22,076,113	21.64
Total	1,945	102,000,000	100.00	2,059	102,000,000	100.00

Net Assets per Share & Closing Price per Share



Gross dividend and Ordinary shary capital



Percentage of issued ordinary share capital held by the public as at 31st March, 2014 was 22.84%.

6 KEY RATIOS

	2014	2013
EPS	31.67	41.51
Dividend Payout Ratio (%)	94	97
Price Earnings Ratio	18.66	17.01
Dividend Yield	0.51%	0.42%
Market Value Added (Mn.)	113,836	119,070

7 INFORMATION ON DIVIDENDS

The details of the dividends paid are as follows:

For the year ended 31st March	2014		2013	
	Per share	Amount	Per share	Amount
Ordinary Shares				
First Interim - for 2013	-	-		
First Interim 2014	3.00	306,000	3.00	306,000
	3.00	306,000	3.00	306,000
Preference Shares				
First Interim - for 2013				
First Interim - 2014	-	44,057	23.95	44,057
	-	44,057	23.95	44,057
Preference Shares				
Annual	0.08	145	0.08	145
	0.08	145	0.08	145

8 SHAREHOLDER INFORMATION-ORDINARY

The issued ordinary shares of the Company are listed on the Colombo Stock Exchange. Stock Exchange ticker symbol for the Bukit Darah PLC shares : BUKI.N0000

9 DIVIDENDS SINCE

Year ended 31st March	DPS (Rs.)	Dividends (Rs.'000)
2010	7.50	75,000
2011	9.00	90,000
2012	2.50	255,000
2013	3.00	306,000
2014	3.00	306,000

10 ORDINARY SHARES IN ISSUE

Year ended 31st March	Number of Shares
2009	10,000,000
2010	10,000,000
2011	102,000,000
2012	102,000,000
2013	102,000,000
2014	102,000,000

11 HISTORY OF SCRIP ISSUES

Year ended 31st March	Issue	Basis	Number of Shares (Ordinary)
2004	Bonus	24:1	9,600,000
2011	Sub-division	10:1	90,000,000
	Capitalisation	1:50	2,000,000

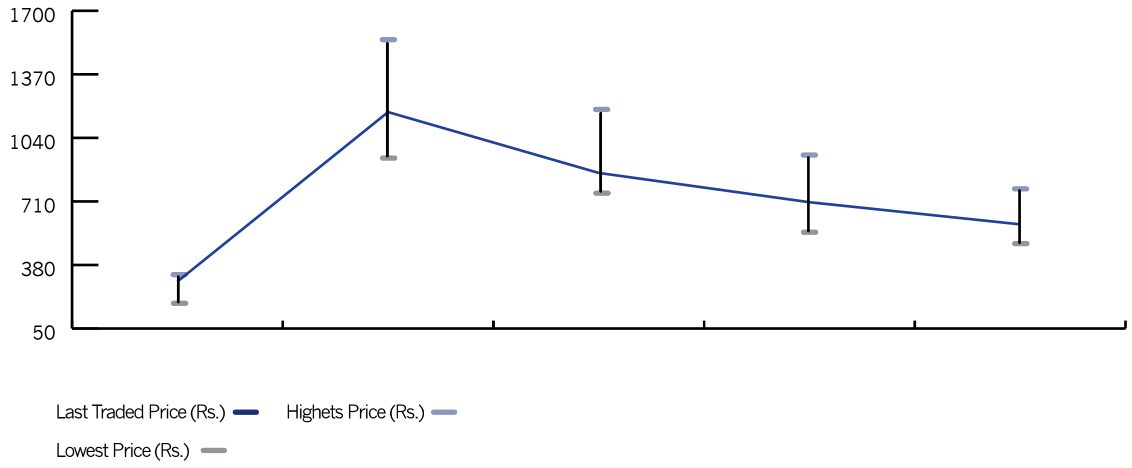
12 INFORMATION ON MOVEMENT IN NO OF SHARE

Financial Year	Issue	Basis	No of Shares issued Ordinary	Ordinary	Cumulative Redeemable preference
2003/04	Bonus Issue	24 for 1	9,600,000	10,000,000	180,350
2010/11	Sub-division	10 for 1	90,000,000	100,000,000	1,803,500
	Capitalisation	1 for 50	2,000,000	102,000,000	1,839,568

13 SHARE PRICE TREND OVER LAST FIVE YEARS

Year	2010	2011	2012	2013	2014
Highest Price (Rs.)	344	1,600	1,145	950	755
Lowest Price (Rs.)	76	815	809	652	538
Last Traded Price (Rs.)	294	1,174	858	706	591

Share Price Trend over the past Five Years



14 INFORMATION ON SHAREHOLDERS FUNDS AND MARKET CAPITALIZATION

As at 31st March	2011	2012	2013	2014
Shareholders' Funds (Rs. Mn.)	23,463	29,557	32,033	30,278
Market Capitalization (Rs. Mn.)	119,748	87,516	71,961	60,272
Market Capitalization as % of CSE Mkt. Captl. (%)	4.94%	4.35%	3.26%	3.89%

Five year Summary - Group

(Amounts expressed in Sri Lankan Rs. '000 unless otherwise stated)

For the year ended 31st March	2014	2013	2012	2011	2010
OPERATING RESULTS					
Revenue	76,542,788	76,160,413	66,078,183	36,008,053	23,865,375
Profit before taxation	11,133,371	13,627,257	17,695,891	12,795,996	8,267,477
Income tax expenses	3,259,870	3,982,666	4,308,795	2,821,520	1,660,227
Profit for the year	7,873,501	9,644,591	13,387,096	9,974,476	6,607,250
Profit attributable to the Non controlling interest'	4,598,484	5,365,882	6,644,704	4,863,701	3,704,604
Profit attributable to the Owners of the company	3,275,017	4,278,709	6,742,392	5,110,775	2,902,646
CAPITAL EMPLOYED					
Stated capital	412,635	412,635	412,635	412,635	101,804
Reserves	29,865,750	31,619,702	29,178,718	19,857,231	12,736,409
	30,278,385	32,032,337	29,591,353	20,269,866	12,838,213
Non -controlling interest	36,190,123	34,841,670	31,523,467	25,947,276	18,585,691
Investment through subsidiaries	(10,688)	(10,688)	(10,688)	((12,333)	(12,333)
Short - term and long - term borrowings	64,587,871	52,234,376	37,664,912	23,505,260	12,814,355
	131,045,691	119,097,695	98,769,044	69,710,069	44,225,926
ASSETS EMPLOYED					
Non - current assets	121,957,361	112,681,124	94,029,100	57,006,961	40,802,636
Current assets	36,027,814	26,628,667	23,051,017	20,221,662	10,264,723
	157,985,175	139,309,791	117,080,117	77,228,623	51,067,359
Current liabilities - excluding borrowings	(16,526,064)	(10,818,192)	(11,266,986)	(4,767,453)	(4,300,117)
Non - current liabilities	(50,492)	(28,077)	(25,492)	(773,052)	(873,229)
Deferred liabilities	(10,362,928)	(9,365,827)	(7,018,595)	(1,978,049)	(1,668,087)
	131,045,691	119,097,695	98,769,044	69,710,069	44,225,926
CASH FLOW STATEMENTS					
Net cash inflows from operating activities	13,512,181	4,577,119	12,502,140	5,126,379	3,200,718
Net cash used in investing activities	(15,198,692)	(19,256,593)	(17,586,408)	(5,239,889)	(5,210,205)
Net cash generated from/(used in) financing activities	12,922,311	2,441,358	(3,877,384)	9,859,179	9,025
Net (decrease)/increase in cash & cash equivalents	11,235,800	(12,238,116)	(8,961,652)	9,745,669	(2,000,462)
OPERATIONAL RATIOS					
Return on ordinary shareholders' funds (%)	10.68	13.24	22.69	25.15	16.12
Equity to total assets (%)	42.05	47.97	52.16	59.84	61.53
Revenue growth (%)	-	15.26	83.51	50.88	39.64
Asset growth (%)	13.41	18.99	51.60	51.23	33.13
Revenue to capital employed (times)	0.58	0.64	0.67	0.52	0.54
No. of employees	15,580	15,097	14,453	11,672	6,943
Revenue per employee (Rs. '000)	4,913	5,045	4,572	3,085	3,437

Five year Summary - Group

(Amounts expressed in Sri Lankan Rs. '000 unless otherwise stated)

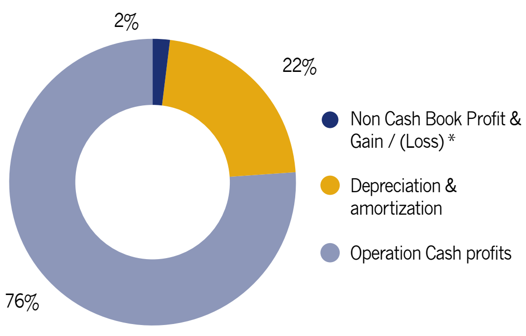
For the year ended 31st March	2014	2013	2012	2011	2010
DEBT & GEARING RATIOS					
Interest cover (times)	6.37	10.11	8.58	16.52	10.60
Debt equity ratio (%)	97.29	78.22	61.63	50.86	40.78
Gearing ratio (%)	49.32	43.89	38.18	33.71	28.97
INVESTOR RATIOS					
Dividend cover (times)	10.56	13.84	20.14	5.55	3.78
Dividends per share (Rs.)	3.00	3.00	2.50	9.00	7.50
Market value per share (Rs.)	591	706	858	1,174	3,000
Market capitalization (Rs.' mn)	60,272	71,961	87,516	119,748	30,000
Earnings per share (Rs.)	31.67	41.51	50.36	49.98	28.35
Price earnings ratio (times)	18.66	16.99	17.04	23.49	105.82
Net assets per ordinary share (Rs.)	296.45	313.64	289.71	198.32	125.85

15 GROUP QUARTERLY RESULTS - STATEMENT OF INCOME

	1st Quarter	%	2nd Quarter	%	3rd Quarter	%	4th Quarter	%	FY 2014	%
Revenue	16,612,218	22	16,718,638	22	21,513,711	28	21,698,221	28	76,542,788	100
Segment results	1,681,113	13	1,389,966	11	4,197,253	33	5,623,982	44	12,892,314	100
Foreign exchange gain/(loss)	(535,712)	18	(3,026,514)	103	(975,129)	33	1,591,460	(54)	(2,945,895)	100
Change in fair value of Biological Assets	1,320,800	42	247,538	8	338,470	11	1,275,290	40	3,182,098	100
Change in fair value of investment properties	-	-	-	-	-	-	79,209	100	79,209	100
Profit from operations	2,466,201	19	(1,389,010)	(11)	3,560,594	27	8,569,941	65	13,207,726	100
Net Finance expenses	(487,800)	24	(492,698)	24	(477,094)	23	(615,924)	30	(2,073,516)	100
Share of net result of Joint ventures	(1,870)	223	1,218	(145)	(168)	20	(19)	2	(839)	100
Profit before Income tax expenses	1,976,531	18	(1,880,490)	(17)	3,083,332	28	7,953,998	71	11,133,371	100
Income tax expenses	(675,790)	21	339,000	(10)	(842,056)	26	(2,081,024)	64	(3,259,870)	100
Profit for the period	1,300,741	17	(1,541,490)	(20)	2,241,276	28	5,872,974	75	7,873,501	100
Profit attributable to										
Owners of the Company	511,062	16	(1,080,705)	(33)	945,468	29	2,899,192	89	3,275,017	100
Non controlling interest	789,679	17	(460,785)	(10)	1,295,808	28	2,973,782	65	4,598,484	100
	1,300,741	17	(1,541,490)	(20)	2,241,276	28	5,872,974	75	7,873,501	100
Earnings per share Rs.	5.01		(10.60)		8.84		28.42		31.67	
Net assets per share Rs.	320.34		271.41		264.42		296.45		296.45	
Market value per share Rs.	696.00		672.00		620.00		590.90		590.90	
Net profit on segmental basis										
Investment holdings	(66,283)	25	(75,131)	28	(62,927)	24	(59,323)	22	(263,664)	100
Portfolio & Asset management	315,770	20	289,951	19	415,034	27	538,905	35	1,559,660	100
Oil palm plantations	111,666	2	776,280	16	1,992,190	41	2,017,980	41	4,898,116	100
Oils & fats	(124,374)	377	(24,560)	74	138,643	(420)	(22,697)	69	(32,988)	100
Beverages	273,700	23	260,144	21	328,638	27	349,853	29	1,212,335	100
Real estate	8,629	7	10,533	9	25,665	22	74,286	62	119,113	100
Leisure *	(957)	(2)	4,361	7	27,765	45	31,022	50	62,191	100
Management services	(2,498)	(75)	(4,092)	(123)	12,927	389	(3,011)	(91)	3,326	100
Segment operating profit	515,653	7	1,237,486	16	2,877,935	38	2,927,015	39	7,558,089	100
Change in fair value of investment properties	-	-	-	-	-	-	79,209	100	79,209	100
Foreign exchange gain/(loss)	(535,712)	18	(3,026,514)	103	(975,129)	33	1,591,460	(54)	(2,945,895)	100
Change in fair value of Biological Assets	1,320,800	42	247,538	8	338,470	11	1,275,290	40	3,182,098	100
	1,300,741	-	(1,541,490)	-	2,241,276	-	5,872,974	-	7,873,501	-

* (Hotel Sector + Airline)

Group Profit Allocation 2014



Non Cash Book Profit & Gain / (Loss) *

(Change in fair value of investment properties+ Foreign exchange loss + Change in fair value of Biological Assets)

Financial Calendar

Financial Year End	31st March 2014
Announcement of Results	
1st Quarter ended 30th June 2013	14th August 2013
2nd Quarter ended 30th September 2013	14th November 2013
3rd Quarter ended 31st December 2013	13th February 2014
4th Quarter ended 31st March 2014	30th May 2014
Notice of Annual General Meeting	25th June 2014
98th Annual General Meeting	31st July 2014

Financial Information

Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Bukit Darah PLC has pleasure in presenting to the shareholders this Report together with the Audited Financial Statements for the year ended 31st March 2014.

The details set out herein provide the pertinent information required by the Companies Act, No. 07 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best Accounting practices.

The Annual Report was approved by the Board of Directors on 25th June 2014.

GENERAL

Bukit Darah PLC (the "Company"), a public limited liability company incorporated in Sri Lanka in 1916.

THE PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company consist of investing in Oil Palm Plantations, Oils & Fats, Beverage, Portfolio and Assets Management, Real Estate, Leisure and Management Services.

There have been no significant changes in the nature of the activities of the Group and the Company during the financial year under review.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement on pages 7 to 9 and Operational review on pages 13 to17 provide an overall assessment of the business performance of the Group and its future developments. These reports together with audited financial statements reflect the state of affairs of the Company and the Group.

The segment-wise contribution to Group Results, Assets and Liabilities are provided in Note 7.1 to the financial statements on pages 114 to 119.

FINANCIAL STATEMENTS

The financial statements of the Group are prepared in conformity with Sri Lanka Accounting Standards (SLAS), provide information required by the Companies Act No. 07 of 2007 and the Colombo Stock Exchange Listing requirements. The Company and its subsidiaries are also guided by other recommended best accounting practices.

The institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanaka Accounting Standards which have become applicable for the financial period beginning on or after 1st January 2014.

However, these standards have not been applied when preparing the current year financial statements.

- Sri Lanka Accounting Standards - SLFRS 10 "Consolidated financial statements"
- Sri Lanka Accounting Standards - SLFRS 11 "Joint Arrangements"
- Sri Lanka Accounting Standards - SLFRS 12 "Disclosure of Interest in Other Entities"
- Sri Lanka Accounting Standards - SLFRS 13 "Fair Value Measurement"

Revenue

Revenue generated by the company amounted to Rs 404 mn (2013 - Rs. 390 mn), whilst group revenue amounted to Rs. 76,543 mn (2013 - Rs. 76,160mn). Contribution to group revenue from the different business segments is provided in Note 7.1 to the financial statements.

Financial Results

The audited results of the Group and of the Company for the financial year ended 31st March 2014 are as follows:

For the year ended 31st March	Group 2014 Rs.'000	Group 2013 Rs.'000	Company 2014 Rs.000	Company 2013 Rs.'000
Profit available for appropriation From which the following appropriations/distributions have been made:	29,730,113	27,782,471	7,083,659	7,059,838
Dividend				
Preference Share dividend Annual Dividend	(145)	(145)	(145)	(145)
8% participating cumulative Preference dividend paid - 2014 - Rs 23.95 (2013 - Rs 23.95)	(44,057)	(44,057)	(44,057)	(44,057)
Ordinary dividend paid first interim	(306,000)	(306,000)	(306,000)	(306,000)
Total dividend paid	(350,202)	(350,202)	(350,202)	(350,202)
Leaving a balance to be carried forward	29,379,911	27,432,269	6,733,457	6,709,636

SIGNIFICANT ACCOUNTING POLICIES

For all periods up to and including the year ended 31 March 2014, the Company and the Group prepared their financial statements in accordance with Sri Lanka Accounting Standards which were in effect up to that date.

CAPITAL EXPENDITURE

Details of the Group capital expenditure undertaken during the year by each sector are:

For the year ended 31st March	2014 Rs.'000	2013 Rs.'000
Portfolio and Asset Management		
Property, plant & equipment	9,832	1,449
Oil Palm Plantation		
Property, plant & equipment	4,420,130	7,449,189
Biological Assets	6,335,944	6,667,477
Intangible assets	559,670	968,512
Oils & Fats		
Property, plant & equipment	1,613,067	1,887,479
Intangible assets	9,965	2,863
Beverage		
Property, plant & equipment	4,627,143	3,677,236
Intangible assets	1,821	484
Real Estate		
Property, plant & equipment	16,530	112,253
Investments Properties	88,180	707
Leisure		
Property, plant & equipment	61,485	97,752
Management Services		
Property, plant & equipment	43,737	35,353
Intangible assets	-	386
	17,787,504	20,901,140

Value of the Investment Portfolio

The market value/valuation of the Group's investment portfolio as at 31st March, 2014 was Rs 9,444 mn (2013 - Rs. 9,030 mn).

Value of the Investments Properties

The fair value of the group's investment properties as at 31st March 2014 was Rs 2,094 mn (2013 - Rs. 1,970 mn).

Market Value of Freehold Properties

Certain freehold properties (land and buildings) of the Group have been revalued based on the independent professional valuation and written-up in the books of account to conform to market value of such properties. Details of such revaluation are given in note 18(c) to the financial statements.

Reserves

A summary of the Group's Reserves is given below

As at 31st March	Group 2014 Rs. '000	Group 2013 Rs. '000	Company 2014 Rs. '000	Company 2013 Rs. '000
Capital Reserve	2,188,938	2,169,329	40,000	40,000
Revenue Reserve	27,676,812	29,450,373	6,733,458	6,709,636
Total	29,865,750	31,619,702	6,773,458	6,749,636

The movements are shown in the Statements of Changes in Equity given on pages 84 to 85 the Annual Report.

Directors' Responsibilities for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Group and the Company which reflect a true and fair view of the state of its affairs. The Directors are of the view that the Statement of Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow, Significant Accounting Policies and Notes thereto appearing on pages 81 to 185 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and amendments thereto and Listing Rules of the Colombo Stock Exchange. The "Statement of Directors' Responsibility" for Financial Reporting given on page 79 forms an integral part of this Report.

INDEPENDENT AUDITOR'S REPORT

The Independent Auditor's Report on the Financial Statements is given on page 80 of this Annual Report.

INTERESTS REGISTER

The Company maintains an Interests Register conforming to the provisions of the Companies Act No. 07 of 2007. All Directors have made declarations as provided for in Section 192 (2) of the Companies Act, aforesaid.

The relevant details as required by the Companies Act, No. 07 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the said Companies Act.

DIRECTORS' INTEREST IN CONTRACTS AND SHARES

The Related Party Transactions of the Company as required by the Sri Lanka Accounting standard LKAS 24 are disclosed in Note 47 to the Financial Statements and have been declared at meetings of the Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in the ordinary shares of the company as shown in the table below.

Directors	No. of Ordinary Shares 31.03.2014	No. of Ordinary Shares 01.04.2013
Mr. H. Selvanathan (Chairman)	153,111	153,111
Mr. M. Selvanathan	44,179	44,179
Mr. I. Paulraj	1,127	1,127
Mr. D.C.R. Gunawardena	-	-
Mr. P.C.P. Tissera	-	-
Mr. K.C.N. Fernando	-	-
Mr. L. R. De Lanerolle	3,074	3,074
Alternate Directors		
Mr. K. Selvanathan	-	-
(for M. Selvanathan)-	-	-
Preference Shares		
- 8% Participating		
Mr. H. Selvanathan	345,130	345,130
Mr. M. Selvanathan	817,856	817,856

(ii) Directors shareholdings in group quoted companies.

SUBSIDIARIES

	No. of Ordinary Shares as at	
	31.03.2014	01.04.2013
Carson Cumberbatch PLC		
Mr. H.Selvanathan	42,318	42,318
Mr. M. Selvanathan	32,962	32,962
Mr. P.C.P. Tissera	12	12
Mr. I. Paulraj	129	129
Mr. L.R.De Lanerolle	4,051	4,051
Messers.H.Selvanathan & M.Selvanathan	449,820	449,820
Ceylon Guardian Investment Trust PLC		
Mr. I. Paulraj	255	255
Mr. D.C.R. Gunawardena	255	255
Mr. K.C.N.Fernando	25	25
Ceylon Investment PLC		
Mr. I. Paulraj	255	255
Mr. D.C.R. Gunawardena	255	255
Ceylon Beverage Holdings PLC		
Mr. H. Selvanathan	690	690
Mr. M. Selvanathan	690	690
Mr. D.C.R. Gunawardena	15	15
Mr. I. Paulraj	33	33
Mr. K.C.N.Fernando	15	15
Lion Brewery (Ceylon) PLC		
Mr. H. Selvanathan	1,579	1,579
Mr. M. Selvanathan	1,579	1,579
Mr. D.C.R. Gunawardena	34	34
Mr. I. Paulraj	1,675	1,675
Mr. K.C.N.Fernando	15	15
Shalimar (Malay) PLC		
Mr. M. Selvanathan	1	1
Selinsing PLC		
Mr. M. Selvanathan	1	1
Good Hope PLC		
Mr. M. Selvanathan	1	1
Indo-Malay PLC		
Mr. M. Selvanathan	1	1
Equity Two PLC		
Mr. I. Paulraj	41,000	41,000
Mr. K.C.N.Fernando	3,600	3,600
Guardian Capital Partners PLC		
Mr. H. Selvanathan	25	25
Mr. I. Paulraj	200	200
Mr. D.C.R. Gunawardena	25	25

Directors' Benefits

Since the end of the previous financial year, none of the directors of the company have received or become entitled to receive any benefit (other than the benefit as disclosed in Note 14 to the financial statements) by reason of a contract made by the company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in note 47 to the financial statement.

During and at the end of the financial year, no arrangement subsisted to which the company is a party, with the object of enabling directors of the company to acquire benefit by means of the acquisition of shares of the company.

Remuneration of Directors

Directors' remuneration in respect of the Company for the financial year ended 31st March 2014 is given in Note 14 to the Financial Statements on page 123.

DIRECTORS

The names of the Directors who served during the year are given under Corporate Information on page 12 of this Annual Report.

Directors to Retire by Rotation

In terms of Articles 82 and 83 of the Articles of Association of the Company, Mr. P.C.P. Tissera retires by rotation and being eligible offers himself for re-election.

Appointment of Directors who are over 70 years of age

Upon the recommendation of the Nomination Committee and the Board, it is recommended that Messrs. I. Paulraj and L. R. De Lanerolle who are over 70 years of age be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not be applicable.

AUDITORS

Company

Company's Auditors during the year under review was Messrs. KPMG.

A sum of Rs. 285,000/- was paid to them by the Company as audit fees for the year ended 31st March 2014 (2013 - Rs.253,000/-).

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors and authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and its relationship with the group, including the scope of audit and non-audit fees paid to the Auditors.

GROUP

The group works with two firms of Chartered Accountants in Sri Lanka and overseas, namely, Messrs. KPMG and Ernst & Young. Details of audit fees are set out in Note 14 of the financial statements.

Further details on the work of the Auditors and the Audit Committee are set out in the Audit Committee Report.

Auditors' relationship or any Interest with the Company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the auditors do not have any relationship or any interest with the Company and its subsidiaries that would impair their independence.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Acquisition of PT Sariwana Adi Perkasa

On 11th September 2013, the Group acquired 95% equity interest in PT Sariwana Adi Perkasa (PTSAP) in Indonesia, at a purchase consideration of Rs. 137Mn (US$ 1.03 Mn). The Group has acquired PTSAP as part of its plantation business expansion plan.

Redemption of Preference shares

Carson Cumberbatch PLC redeemed the final tranche of 5,500,000 (unlisted) Non- Voting Cumulative Redeemable Preference shares (Class B) issued to DFCC Bank on 30th June 2013 in accordance with the Articles of Association of the Company.

Debenture Issue

Lion Brewery (Ceylon) PLC issued 3,000,000 Rated Unsecured Redeemable Debentures at the face value of Rs.1,000/- each to raise Rs.3,000,000,000/- on 17th June 2013.

Sale of Land

Equity One PLC disposed the land situated at Mount Lavinia for a total consideration of Rs.571.2 Mn. The approval of the shareholders was obtained for the disposal of the said land at the Extraordinary General Meeting of Equity One PLC held on 18th February 2014.

Renovation of the building of Equity Two PLC

Equity Two PLC completed renovation and refurbishment of the building at No.55, Janadhipathi Mawatha, Colombo 1. The project was completed in September 2013 at a total cost of Rs.208.2Mn. The newly renovated building added nearly 44,000 square feet to the group's total rentable area.

Incorporation of Companies

On 23rd December 2013, a Company Limited by Guarantee in the name of 'Youth to Nation Foundation' was incorporated in order to launch a Corporate Social Responsibility project to improve entrepreneurship skills of needy selected small scale business operators in Sri Lanka, which was initially funded by Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC.

Pearl Springs (Private) Limited, a private Limited Liability Company was incorporated on 20th May 2014 as a fully owned subsidiary of Lion Brewery (Ceylon) PLC.

Issuance of Shares – Capitalization of part of Current Account

23,800,000 Ordinary Shares were allotted to Ceylon Beverage Holdings PLC by Pubs 'N Places (Pvt) Ltd at a consideration of Rs.10/- per share amounting to Rs.238,000,000/- by capitalizing part of the Current Account with Ceylon Beverage Holdings PLC.

WOUND UP COMPANIES

Voluntary winding up of subsidiary Companies

Equity Seven Limited was voluntarily wound up on 28th December 2013 as per Sec. 319(1)(b) of the Companies Act No. 7 of 2007.

The Final General/Winding up Meetings of Weniwella Investments Ltd and Mylands Investments Ltd were held on 10th January 2014 in compliance with Section 331(1) of the Companies Act No.07 of 2007 and returns of the final winding up meetings (Form 29A) were filed with the Department of Registrar General of Companies on 13th January 2014 by the liquidators.

Strike off of subsidiary Company

In terms of Sec. 394 (3) of the Companies Act No. 7 of 2007, the name of Equity Lands (Private) Limited was struck off from the register and dissolved by the Department of Registrar General of Companies on 26th October 2013.

CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

The Board of Directors

The following Directors held office as at the reporting date and their brief profiles are given on pages 39 to 41 of the Annual Report.

Directors	Executive	Non-Executive	Independent
Mr. H. Selvanathan (Chairman)	√	-	-
Mr. M. Selvanathan	√	-	-
Mr. I. Paulraj *	-	√	√
Mr. D.C.R. Gunawardena	-	√	-
Mr. P.C.P. Tissera	√	-	-
Mr. K.C.N. Fernando	√	-	-
Mr. L.R.De Lanerolle	-	√	√

Alternate Director

Mr. K. Selvanathan (for Mr. M. Selvanathan)

Each of the Non Executive Directors of the Company has submitted a signed declaration on 'Independence/Non Independence' as per Rule 7.10.2.b. of the Listing Rules of the Colombo Stock Exchange(CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 25th June 2014, in order to enable the Board of Directors to determine the Independence/ Non Independence of the Non - Executive Directors, in terms of 7.10.3 (a) of the Listing Rules of the Colombo Stock Exchange.

* The Board has determined that Mr. I. Paulraj is an independent Director in spite of being on the Board for more than 9 years and a Director of many other companies within the Carson Cumberbatch Group, in which a majority of the other Directors of the Board are also Directors and also being on the Board of Rubber Investment Trust Limited that has a significant shareholding in the Company, since he is not directly involved in the management of the Company.

REMUNERATION COMMITTEE

As per Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange, the Remuneration Committee of the Company comprises of the following members;

Remuneration Committee Members	Executive	Non-Executive	Independent
Mr. I. Paulraj (Chairman)	-	√	√
Mr. D.C.R.Gunawardena	-	√	-
Mr. L.R.De Lanerolle	-	√	√

Scope and Objective

The primary objective of the Remuneration Committee is to lead to establish a formal and transparent procedure for the development of a remuneration policy and the establishment of a remuneration structure. A remuneration policy has been formulated based on market and industry factors and individual performance for all group Companies.

Functions and Proceedings

The Remuneration Committee recommends to the Board the remuneration to be paid to the Chief Executive Officer, Executive Directors and Non-Executive Directors. Based on the recommendation of the Remuneration Committee, the Board approves remuneration to the respective Directors.

The Chief Executive Officer, Director-in-charge and other members of senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. Neither Executive nor Non-Executive Directors are involved in Remuneration Committee meetings when determinations are made in relation to the remuneration of the respective Directors.

The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when it considers necessary.

The Remuneration Committee meets at least twice a year.

During the period under review the Committee had two formal meetings with all members in attendance.

Remuneration Committee Members	Meetings Attended (out of 2)
Mr. I. Paulraj (Chairman)	2
Mr. D.C.R. Gunawardena	2
Mr. L.R. De Lanerolle	2

Reporting and Responsibilities

The Committee Chairman reports formally to the Board on its proceedings on all matters within its duties and responsibilities. The Committee makes recommendations to the Board as deemed appropriate on any area within its limit where action or improvements are needed.

Aggregated remuneration paid to the Non-Executive Directors of the Company is disclosed under Note 14 on page 123 of the Annual Report. Executive Directors are not compensated for their role on the Board.

Audit Committee

As per Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange, the Audit Committee of the Company comprises of the following members:

Audit Committee Members	Executive	Non-Executive	Independent
Mr. L.R.De Lanerolle (Chairman)	-	√	√
Mr. I. Paulraj	-	√	√
Mr. D.C.R.Gunawardena	-	√	-

The Audit Committee Report is given on page 50 of this Annual Report.

Directors' Meeting Attendance

During the Financial year the Board of Directors had four (4) Board Meetings and the attendance of the Directors were as follows:

Directors	Meetings Attended (out of 4)
Mr. H. Selvanathan (Chairman)	3
Mr. M. Selvanathan	4
Mr. I. Paulraj	4
Mr. D.C.R. Gunawardena	4
Mr. P.C.P. Tissera	4
Mr. K.C.N.Fernando	4
Mr. L.R.De.Lanerolle	4

NOMINATION COMMITTEE

The Nomination Committee of the Company comprises of the following members;

Nomination Committee Members	Executive	Non-Executive	Independent
Mr. I. Paulraj (Chairman)	-	√	√
Mr. D.C.R. Gunawardena	-	√	-
Mr. L.R.De.Lanerolle	-	√	√

Scope and Objective

The primary objective of the Nomination Committee is to lead the process for Board appointments of new Directors within group companies and the nominations of members to represent the Company in Group companies/Investee companies.

Functions and Proceedings

The Nomination Committee recommends new appointments to the Board. Based on the recommendation of the Nomination Committee, the Board approves the new appointments of Executive and Non-Executive Directors to the Board.

Any Director of the Board and the Chief Executive Officer/ Director-in-Charge and other members of senior management may be invited to attend Meetings of the Nomination Committee. The Committee may also invite appointed external consultants to aid the Committee in the discharge of its duties.

The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when considered necessary.

The Nomination Committee meets at least twice a year.

During the period under review the Committee had two formal meetings with all members in attendance.

Nomination Committee Members	Meetings / Attended (out of 2)
Mr. I. Paulraj (Chairman)	2
Mr. D.C.R. Gunawardena	2
Mr. L.R. De Lanerolle	2

INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a group wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the element of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallization of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

"The delegation of the effective maintenance of internal controls and risk identification and mitigation is handed down to the respective CFO's within the guidelines of benchmark policies, procedures and authority limits clearly laid down. This team is supported by the risk officers appointed per sector. The risk officers would confer with the respective management teams and will update the risk registers and the relevant action plans to be followed by the management teams in their respective spheres of operation. Group Internal Audit, whose scope of scrutiny is entirely driven by the grading of the risk involved will be monitoring and providing the feedback to the management and the respective Audit Committees."

Regular submission of compliance and internal solvency certificates vouched by the heads of the respective divisions as a mandatory agenda item keeps the directors abreast of the health of the company, resource base and governance requirements. This allows the Board to have total control of the fulfillment of governance requirements.

More detailed description of the Risk management strategies of the Company is given on pages 52 to 57.

OUTSTANDING LITIGATION

In the opinion of the Directors and in consultation with the company lawyers, litigations currently pending against the company will not have material impact on the reported financial results of future operations of the company.

Details of litigations pending against the company are given in Note 45 on page 182 of the Annual Report.

DIVIDEND

The Directors do not recommend a dividend at this point in time.

The details of the dividends paid during the year are set out in Note 17 to the financial statements.

SOLVENCY TEST

Solvency test was performed for the First Interim dividend for the financial year ended 31st March 2014 as required under the Section 56 (2) of the Companies Act No.7 of 2007.

The statement of solvency completed and duly sign by the directors has been audited by the Company's auditors, Messrs KPMG.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2014 was Rs.412,634,771/- consisting of 102,000,000 Ordinary shares, and 1,839,568 - 8% Participating Cumulative Preference Shares.

EVENTS AFTER THE REPORTING PERIOD

Lion Brewery (Ceylon) PLC together with its newly formed subsidiary Pearl Springs (Private) Limited has entered into a Sale & Purchase Agreement with Cargills (Ceylon) PLC & Millers Brewery Limited, a subsidiary of Cargills (Ceylon) PLC to purchase the shareholding including the trademarks of Millers Brewery Limited at a consideration of Rs. 5,150,000,000/- subject to due diligence & settlement of all its liabilities.

Subsequent to the reporting date, no circumstances have arisen which required adjustments to or disclosure in the financial statements, other than those disclosed in note 46 to the financial statements.

STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in these financial statements.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has at all times ensured that it complied with the applicable laws and regulations including the Listing Rules of the Colombo Stock Exchange as a listed company. The management officers responsible for compliance, table a report on the compliance at the quarterly meetings of the Audit Committee/Respective Boards.

RELATED PARTY TRANSACTIONS EXCEEDING 10% OF THE EQUITY OR 5% OF THE TOTAL ASSETS OF THE COMPANY

There were no transactions entered into by the Company in its ordinary course of business, the value of which exceeded 10% of the shareholders' equity or 5% of the total assets of the respective companies during the year.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The commitments made on account of capital expenditure and contingent liabilities as at 31st March 2014 are given in note 44 and note 45 respectively, to the financial statements.

GOING CONCERN

Having taken into account the financial position and future prospects, the Directors have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue to be in operational existence for the foreseeable future. For this reason the Company and its subsidiaries continue to adopt the going concern basis in preparing the financial statements

HUMAN RESOURCE

The Group continued to invest in Human Capital Development and implement effective Human Resource practices and policies to develop and build an efficient and effective workforce aligned around new business priorities and to ensure that its employees are developing the skills and knowledge required for the future success of the Group.

The number of persons employed by the Group as at 31st March 2014 was 15,580 (31st March 2013 – 15,097). The Company had no employees as at 31st March 2014 (2013 - Nil).

DONATIONS

The Group made donations amounting to Rs. 79.4 mn during the year under review (2013 - Rs. 94 mn.). Company - Rs. 0.5 mn. (2013- Rs.0.5 mn.)

SHARE INFORMATION

Information relating to earnings, dividends, net assets and market price per share is given on page 58 to 62 of the Annual Report. Information on share trading is given on page 58 of the Annual Report.

MAJOR SHAREHOLDERS

Twenty Major Shareholders - Ordinary Shares (Voting)

As at 31st March Name of the Shareholders	2014 No. of Shares	%	2013 No. of Shares	%
Rubber Investment Trust Limited A/C No. 3	20,438,250	20.04	20,438,250	20.04
Portelet Limited	9,409,500	9.23	9,409,500	9.23
Skan Investments (Pvt) Limited	8,357,876	8.19	8,357,876	8.19
Goodhope Holdings (Pvt) Limited	8,046,752	7.89	8,046,752	7.89
Newgreens Limited	7,905,000	7.75	7,905,000	7.75
Interkrish Investment Company (Pvt) Limited	7,314,895	7.17	7,314,895	7.17
Krish Investment Company (Pvt) Limited	7,304,142	7.16	7,304,142	7.16
Carson Cumberbatch PLC A/C No. 2	6,270,781	6.15	6,270,781	6.15
Natwest Nominees (Pvt) Limited	4,392,433	4.31	4,392,433	4.31
Wardley Investments (Pvt) Limited	4,312,809	4.23	4,312,809	4.23
Gee Gees Properties (Pvt) Ltd	3,734,220	3.66	3,734,220	3.66
S Kanapathy Chetty (Pvt) Limited	2,139,922	2.10	2,139,922	2.10
Employees Provident Fund	2,137,769	2.10	1,856,461	1.82
Ceylon Finance & Securities (Pvt) Limited	1,006,085	0.99	1,006,085	0.99
Thurston Investments Limited	933,600	0.92	933,600	0.92
Pershing LLC S/A Averbach Grauson & Co.	842,996	0.83	842,996	0.83
Mr. E.A. Samaraweera	612,000	0.60	612,000	0.60
Mrs. H. Pope (Decd)	612,000	0.60	612,000	0.60
Mr. W. Tippetts	520,200	0.51	520,200	0.51
Mr. K.C. Vignarajah	485,863	0.48	477,450	0.47

EQUITABLE TREATMENT OF SHAREHOLDERS

All shareholders in each category have been treated equitably in accordance with the original Terms of Issue.

ANNUAL REPORT

The Board of Directors on 25th June 2014 approved the Company Financial Statements and the consolidated financial statements together with the reviews which forms a part of the Annual Report.

The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standard Monitoring Board and the Registrar General of Companies within, the applicable time frames.

ANNUAL GENERAL MEETING

98th Annual General Meeting of the Company will be held on Thursday, 31st day of July 2014 at 10.00 a.m. at Hilton Colombo, "Grand Ballroom", No.2, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.

The Notice of the Annual General Meeting setting out the business which will be transacted thereat is on page 192 of the Annual Report.

Signed on behalf of the Board

(Sgd.)
H. Selvanathan
Chairman

(Sgd.)
M. Selvanathan
Director

(Sgd.)
K.D. De Silva (Mrs.)
Director
Carsons Management Services (Private) Limited
Secretaries

Colombo
25th June 2014

Statement of Directors' Responsibility

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with the companies Act No.07 of 2007 and Sri Lanka Accounting and Auditing standards Act No. 15 of 1995, and required to prepare financial statements for each financial year that present fairly the financial position of the group and the financial performance and cash flows of the group for that period.

In preparing those financial statements, the directors are required to:

- Select suitable Accounting Policies and applied consistently.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosure when compliance with the specific requirements of Sri Lanka Accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance.
- State that the company has complied with Sri Lanka Accounting standards, subject to any material departures disclosed and explained in the consolidated financial statements.
- Make Reasonable and prudent judgments and estimates.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the consolidated financial statements comply with the Companies Act No. 07 of 2007 and Sri Lanka Accounting standards. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The group's business activities, performance, position and risks are set out in the report. The financial position of the group, its cash flows, liquidity position and borrowing facilities are detailed in the in the notes to the financial statements. The report also includes details of the group's risk mitigation and management. The group has considerable financial resources, and the directors believe that the group is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board

(Sgd.)
K.D. De Silva (Mrs.)
Director
Carsons Management Services (Pvt) Ltd
Secretaries

Colombo
25th June 2014

Independent Auditors' Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
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Sri Lanka.

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TO THE SHAREHOLDERS OF BUKIT DARAH PLC

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bukit Darah PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at March 31, 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information set out on pages 81 to 185 of the annual report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

SCOPE OF AUDIT AND BASIS OF OPINION

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2014 and the financial statements give a true and fair view of the financial position of the Company as at March 31, 2014, and of its financial performance and its cash flow for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries dealt with thereby as at March 31, 2014, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements
These financial statements also comply with the requirements of Section 153(2) to 153(7) of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS
Colombo.
25th June 2014

Statement of Income

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group 2014	Group 2013 (Restated)	Group Change %	Company 2014	Company 2013	Company Change %
Revenue	7	76,542,788	76,160,413	1	404,217	389,724	4
Direct operating expenses	8	(52,499,747)	(53,385,045)	(2)	-	-	-
		24,043,041	22,775,368	6	404,217	389,724	4
Other items of income							
Change in fair value of investment properties	21	79,209	62,409	27	-	-	-
Change in fair value of Biological Assets	19	3,182,098	4,881,099	(35)	-	-	-
Gain / (Loss) on fair value through profit or loss financial assets		7,060	92,292	(92)	-	-	-
Other income	9	486,522	416,110	17	-	-	-
Other items of expenses							
Distribution expenses		(5,087,996)	(5,231,152)	(3)	-	-	-
Administrative expenses		(6,418,715)	(6,744,790)	(5)	(27,544)	(28,812)	(4)
Other operating expenses	11	(137,598)	(224,232)	(39)	-	-	-
Foreign exchange losses	12	(2,945,895)	(839,929)	251	-	-	-
Impairment of Business Assets	10	-	(55,940)	(100)	-	-	-
Profit from operations		13,207,726	15,131,235	(13)	376,673	360,912	4
Net finance cost	13	(2,073,516)	(1,496,146)	39	-	-	-
Share of net result of Joint Venture	24	(839)	(7,832)	(89)	-	-	-
Profit before Income tax expenses	14	11,133,371	13,627,257	(18)	376,673	360,912	4
Income tax expenses							
Current taxation	15	(2,061,033)	(2,480,544)	(17)	(2,650)	(941)	182
Deferred taxation	15	(1,198,837)	(1,502,122)	(20)	-	-	-
		(3,259,870)	(3,982,666)	(18)	(2,650)	(941)	182
Profit for the year	7.1	7,873,501	9,644,591	(18)	374,023	359,971	4
Profit Attributable to:							
Owners of the Company	7.1	3,275,017	4,278,709	(23)	374,023	359,971	4
Non controlling interest	7.1	4,598,484	5,365,882	(14)	-	-	-
		7,873,501	9,644,591	(18)	374,023	359,971	4
Earnings per ordinary share (Rs.)	16	31.67	41.51	(24)	3.23	3.10	4
Dividend per ordinary share* (Rs.)	17	3.00	3.00	-	3.00	3.00	-

The Notes from pages 88 to 185 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Based on dividend paid.

Statement of Comprehensive Income

(Amounts expressed in Sri Lankan Rs. '000)

	Group		Company	
For the year ended 31st March	2014	2013 (Restated)	2014	2013
Profit for the year	7,873,501	9,644,591	374,023	359,971
Other Comprehensive Income				
Items that may be reclassified subsequently to profit or loss:				
Net change in fair value of available-for-sale financial assets	124,689	904,364	-	-
Transfer of relised gain on available-for-sale financial assets	(1,118,900)	(1,073,683)	-	-
Exchange differences on translation of foreign operations	(6,318,378)	(3,118,391)	-	-
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain / (losses) on employee benefits	302,510	(458,788)	-	-
Deferred tax benefits / (expenses) on actuarial gain / (losses)	(75,022)	114,696	-	-
Gain on revaluation of freehold land	-	828,165	-	-
Other comprehensive income/(expenses) for the year net of tax	(7,085,101)	(2,803,637)	-	-
Total Comprehensive Income for the year	788,400	6,840,954	374,023	359,971
Attributable to:				
Owners of the company	(318,384)	2,786,935	374,023	359,971
Non controlling interest	1,106,784	4,054,019	-	-
	788,400	6,840,954	374,023	359,971

The Notes from pages 88 to 185 form an integral part of these financial statements.

Figures in bracket indicate deduction

Statement of Financial Position

(Amounts expressed in Sri Lankan Rs. '000)

		Group		Company	
As at 31st March	Note	2014	2013 (Restated)	2014	2013
ASSETS					
Non - Current Assets					
Property, Plant & Equipments	18	54,759,104	51,042,277	-	-
Biological Assets	19	46,817,103	42,787,232	-	-
Prepaid lease payment for Lands	20	4,095,006	4,125,442	-	-
Investment properties	21	2,093,650	1,969,954	-	-
Intangible assets	22	3,136,178	2,989,374	-	-
Investments in subsidiaries	23	-	-	7,139,064	7,139,064
Investments in Joint venture	24	25,793	25,415	-	-
Available-for-sale financial assets	25	8,210,520	8,064,325	-	-
Deferred tax assets	15	1,737,789	1,381,424	-	-
Trade and other receivables	27	1,082,218	295,681	-	-
Total non - current assets		121,957,361	112,681,124	7,139,064	7,139,064
Current Assets					
Inventories	26	7,940,973	7,259,572	-	-
Trade and other receivables	27	9,848,477	10,376,601	50	2,347
Current tax recoverable		56,926	78,577	1,081	768
Fair value through profit or loss financial assets	28	1,233,053	965,538	-	-
Derivative financial instrument	29	12,602	14,858		
Cash and cash equivalents	30	16,935,783	7,933,522	101,507	69,113
Total current assets		36,027,814	26,628,668	102,638	72,228
Total assets		157,985,175	139,309,792	7,241,702	7,211,292
EQUITY AND LIABILITIES					
EQUITY					
Stated capital	31	412,635	412,635	412,635	412,635
Capital reserves	32	2,188,938	2,169,329	40,000	40,000
Revenue reserves	33	27,676,812	29,450,373	6,733,458	6,709,636
Equity attributable to owners of the company		30,278,385	32,032,337	7,186,093	7,162,271
Non -controlling interest		36,190,123	34,841,670	-	-
Total equity		66,468,508	66,874,007	7,186,093	7,162,271
Investment through Subsidiary	34	(10,688)	(10,688)		
		66,457,820	66,863,319	7,186,093	7,162,271
LIABILITIES					
Non - Current Liabilities					
Loans and borrowings	35	35,933,910	27,444,958	-	-
Debentures	36	2,798,800			
Trade and other payables	37	50,492	28,077	-	-
Employee benefits	38	1,038,037	1,240,631	-	-
Deferred tax liabilities	15	9,324,891	8,125,196	-	-
Total non - current liabilities		49,146,130	36,838,862	-	-
Current Liabilities					
Trade and other payables	37	16,398,025	10,818,193	55,609	49,021
Current tax liabilities		127,452	-	-	-
Derivative financial instrument	29	587	-		
Loans and borrowings	35	25,560,187	24,789,418	-	-
Debentures	36	294,974	-		
Total current liabilities		42,381,225	35,607,611	55,609	49,021
Total liabilities		91,527,355	72,446,473	55,609	49,021
Total equity and liabilities		157,985,175	139,309,792	7,241,702	7,211,292
Net assets per ordinary share	39	296.45	313.64	70.05	69.82

The Notes from pages 88 to 185 form an integral part of these financial statements.

I certify that these financial statements are in compliance with the requirements of Companies Act No. 07 of 2007.

(Sgd.)
A.P. Weeratunge
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 25th June' 2014.

(Sgd.)
H. Selvanathan
Chairman

(Sgd.)
M. Selvanathan
Director

Colombo.

Statements of Changes in Equity

(Amounts expressed in Sri Lankan Rs. '000)

	Stated Capital		Capital Reserves	
	Ordinary Share	Preference Share	Capital Redemption	Other Capital Reserves
Group				
Balance as at 31st March 2012	371,880	40,755	40,000	1,669,572
Prior year adjustments - (Note 38) (LKAS 19)	-	-	-	-
Balance as at 01st April 2012 (Restated)	371,880	40,755	40,000	1,669,572
Profit for the year				
Other comprehensive income / (expenses) for the year	-	-	-	453,699
Total Comprehensive income / (expenses) for the year	-	-	-	453,699
Transaction with owners of the Company, recognised directly in equity				
Shares Issued by Subsidiaries	-	-	-	-
Acquisition of New Subsidiaries	-	-	-	-
Adjustments on returnable containers	-	-	-	-
Goodwill on change in shareholdings	-	-	-	3,550
Transfer to capital reserve	-	-	-	2,508
Dividend paid	-	-	-	-
Dividend paid to Non-controlling shareholders	-	-	-	-
Movements due to changes in equity	-	-	-	-
Total Transactions with owners of the Company	-	-	-	6,058
Balance as at 31st March' 2013 (Restated)	371,880	40,755	40,000	2,129,329
Profit for the year	-	-	-	-
Other comprehensive income / (expenses) for the year	-	-	-	-
Total Comprehensive income / (expenses) for the year	-	-	-	-
Transaction with owners of the Company, recognised directly in equity				
Acquisition of New Subsidiaries	-	-	-	-
Goodwill on change in shareholdings	-	-	-	-
Dividend paid	-	-	-	-
Dividend paid to Non-controlling shareholders	-	-	-	-
Movements due to changes in equity	-	-	-	19,609
Total Transactions with owners of the Company	-	-	-	19,609
Balance as at 31st March' 2014	371,880	40,755	40,000	2,148,938
Company				
Balance as at 1st April 2012	371,880	40,755	40,000	-
Total Comprehensive income for the year	-	-	-	-
Transaction with owners of the Company, recognised directly in equity				
Dividend paid	-	-	-	-
Balance as at 31st March' 2013	371,880	40,755	40,000	-
Total Comprehensive income for the year	-	-	-	-
Transaction with owners of the Company, recognised directly in equity				
Dividend paid	-	-	-	-
Balance as at 31st March' 2014	371,880	40,755	40,000	-

Note A

Changes in parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. These are recognised directly in equity and attributed to the owners of the parent unless the movement is material.

Figures in bracket indicate deduction

		Revenue Reserves				
	Currency Translation Reserves	Available for-sale financial Assets reserves	Retained Earnings	Attributable to Owners of the company	Non - Controlling Interest	Total Equity
	2,514,742	1,219,353	23,735,051	29,591,353	31,523,467	61,114,820
	-	-	(33,954)	(33,954)	(28,303)	(62,257)
	2,514,742	1,219,353	23,701,097	29,557,399	31,495,164	61,052,563
		-	4,278,709	4,278,709	5,365,882	9,644,591
	(1,695,499)	(20,492)	(229,482)	(1,491,774)	(1,311,863)	(2,803,637)
	(1,695,499)	(20,492)	4,049,227	2,786,935	4,054,019	6,840,954
	-	-	-	-	5,829	5,829
	-	-	-	-	13,741	13,741
	-	-	(5,630)	(5,630)	(19,482)	(25,112)
	-	-	40,285	43,835	(34,108)	9,727
	-	-	(2,508)	-	-	-
	-	-	(350,202)	(350,202)	-	(350,202)
	-	-	-	-	(643,757)	(643,757)
	-	-	-	-	(29,736)	(29,736)
	-	-	(318,055)	(311,997)	(707,513)	(1,019,510)
	819,243	1,198,861	27,432,269	32,032,337	34,841,670	66,874,007
	-	-	3,275,017	3,275,017	4,598,484	7,873,501
	(3,470,790)	(250,414)	127,803	(3,593,401)	(3,491,700)	(7,085,101)
	(3,470,790)	(250,414)	3,402,820	(318,384)	1,106,784	788,400
	-	-	-	-	1,497	1,497
	-	-	(103,949)	(103,949)	(123,607)	(227,556)
	-	-	(350,202)	(350,202)	-	(350,202)
	-	-	-	-	(726,328)	(726,328)
	-	-	(1,001,027)	(981,418)	1,090,108	108,690
	-	-	(1,455,178)	(1435,569)	241,670	(1,193,899)
	(2,651,546)	948,447	29,379,911	30,278,385	36,190,123	66,468,508
	-	-	6,699,867	7,152,502	-	7,152,502
	-	-	359,971	359,971	-	359,971
	-	-	(350,202)	(350,202)	-	(350,202)
	-	-	6,709,636	7,162,271	-	7,162,271
	-	-	374,023	374,023		374,023
-	-		(350,202)	(350,202)	-	(350,202)
	-	-	6,733,457	7,186,093	-	7,186,093

Statement of Cash Flow

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Group 2014	Group 2013 (Restated)	Company 2014	Company 2013
Cash Flows from Operating Activities				
Profit before income tax expanse	11,133,371	13,627,257	376,673	360,912
Adjustments for:				
Foreign exchange loss	2,945,895	839,929	-	-
Change in fair value of Biological Assets	(3,182,098)	(4,881,099)	-	-
Gain from changes in fair value of investment properties	(79,209)	(62,409)	-	-
Mark to market value adjustments - Unrealized	(7,060)	(92,292)	-	-
Impairment of Business Assets	-	55,940	-	-
Share of net result of joint venture	839	7,832	-	-
Depreciation on property, plant & equipment	2,662,914	2,389,974	-	-
Amortization of intangible assets/prepaid lease payment	185,199	164,560	-	-
Provision for employee benefits	286,937	203,715	-	-
Finance expenses	2,073,516	1,496,146	-	-
Profit on disposal of property, plant & equipment	(18,782)	(14,058)	-	-
Profit on disposal of investment property	(79,809)	-	-	-
	4,788,342	108,238	-	-
Operating profit before working capital changes	15,921,713	13,735,495	376,673	360,912
(Increase)/decrease in inventories	(681,401)	(624,455)	-	-
(Increase)/decrease in trade and other receivables	(59,628)	(1,019,476)	2,297	(1,363)
Increase/(decrease) in trade and other payables	5,447,910	(958,310)	575	1,210
	20,628,594	11,133,254	379,545	360,759
Net cash movement in investment	(1,412,261)	181,285	-	-
Cash generated from operations	19,216,333	11,314,539	379,545	360,759
Interest paid	(3,767,302)	(2,716,148)	-	-
Income tax paid	(1,911,931)	(4,006,137)	(2,962)	(967)
Employee benefits paid	(24,919)	(15,135)	-	-
Net cash generated from operating activities	13,512,181	4,577,119	376,583	359,792
Cash Flows from Investing Activities				
Purchase and construction of property, plant & equipment	(9,877,698)	(12,561,939)	-	-
Purchase of biological assets	(5,090,792)	(5,530,623)	-	-
Purchase of Intangible assets/prepaid lease payment	(571,456)	(972,245)	-	-
Acquisition of Non -controlling interest	(89,844)	(86,712)	-	-
Investment in Subsidiary Companies	(136,788)	(312,020)	-	-
Trade debtors movements	(163,877)	-	-	-
Movement in Plasma investment	76,375	(117,251)	-	-
Investment in joint venture company	-	(15,000)	-	-
Proceeds from disposal of property, plant & equipment	75,307	335,678	-	-
Proceeds from disposal of Investment property	549,845	-	-	-
Deposits received	32,132	3,772	-	-
Deposits refunded	(1,896)	(253)	-	-
Net cash used in investing activities	(15,198,692)	(19,256,593)	-	-

For the year ended 31st March	Group 2014	Group 2013 (Restated)	Company 2014	Company 2013
Cash Flows from Financing Activities				
Proceeds from long - term loans	13,776,515	10,055,201	-	-
Repayment of borrowings	(2,824,396)	(6,570,768)	-	-
Proceeds from Debenture issue	3,000,000	-	-	-
Repayment of finance lease creditors	(47,100)	(84,616)	-	-
Redemption of preference shares	(55,000)	(55,000)	-	-
Net decrease in non controlling interest	(660,559)	(643,894)	-	-
Dividend paid (including preference dividend)	(267,149)	(259,565)	(344,189)	(340,460)
Net cash generated from/(used in) financing activities	12,922,311	2,441,358	(344,189)	(340,460)
Net increase/(decrease) in cash & cash equivalents	11,235,800	(12,238,116)	32,394	19,332
Cash & cash equivalents at the beginning of the year	(12,428,673)	(190,556)	69,113	49,781
Cash & cash equivalents at the end of the year (Note 30b)	(1,192,873)	(12,428,673)	101,507	69,113

Notes from pages 88 to 185 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. REPORTING ENTITY

Bukit Darah PLC is a limited liability company which is incorporated in Sri Lanka. The shares of the Company have a primary listing on the Colombo Stock Exchange.

The registered office and principal place of business of the company is located at No. 61, Janadhipathi Mawatha, Colombo 1.

The consolidated financial statements of the Company as at and for the year ended 31 March 2014 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in associate and jointly controlled entity.

The Group is a diversified conglomerate and one of the foremost business establishments in Sri Lanka backed by a heritage of well over 100 years. Today it is positioned as a company whose outlook is regional, focused on a future which is technology-oriented, results driven and world class.

The businesses range from oil palm plantations and related oils & fats industry in Malaysia, India and Indonesia, to breweries, investment holdings, portfolio management, real estate and leisure in Sri Lanka. The Group has offices in Malaysia, Singapore, India and Indonesia.

The Group has 13 listed subsidiaries, listed on the Colombo Stock Exchange, out of the 49 subsidiaries, and 1 jointly controlled entity set out in Note 24 on pages 145 and 146 to the financial statements.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

The Group had 15,580 (2013 – 15,097) employees at the end of the financial year. The Company had no employees as at the reporting date (2013 - Nil).

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Company and the Group comprise the statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows together with the notes to the financial statements.

The consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS / SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act, No. 7 of 2007.

The consolidated financial statements were authorised for issue by the Board of Directors on 25th June 2014.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position;

- Derivative financial assets are measured at fair value;
- Non-derivative financial instruments classified fair value through profit or loss are measured at fair value;
- Available-for-sale financial assets are measured at fair value;
- Biological assets are measured at fair value less costs to sell;
- Investment properties are measured at fair value;
- Land and buildings are measured at revalued amounts
- Defined benefit obligations are measured at its present value, based on an actuarial valuation as explained in Note 37.

These financial statements have been prepared on the basis that the Company and the Group would continue as a going concern for the foreseeable future.

(c) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ('the functional currency'). The consolidated financial statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

(d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with LKAS/SLFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes;

Judgments

i. Determination of owner-occupied properties and investment properties in determining whether a property qualifies as investment property the company makes a judgment whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also other assets. Judgment is also applied in determining if ancillary services provided are significant, so that a property does not qualify as investment property.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Assumptions and estimation uncertainties:

i. *Assessment of Impairment - Key assumptions used in discounted cash flow projections.*

The Group assesses at each reporting date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash Generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset. The carrying value of goodwill is reviewed at each reporting date and is written down to the extent that it is no longer supported by probable future benefits. Goodwill is allocated to CGU for the purpose of impairment testing.

ii. *Deferred taxation - utilization of tax losses*

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the level of future taxable profits together with future tax planning strategies

iii. *Defined benefit plans*

The assessment of the liability of defined benefit obligations involves a significant element of assumptions; including discount rates, future salary increases, mortality rates and future pension increases and due to the long-term nature of these plans, such estimates are subject to uncertainty.

iv. Current taxation

Current tax liabilities arise to the group in various jurisdictions. These liabilities are provided for in the financial statements applying the relevant tax statutes and regulations which the management believes reflect the actual liability. There can be instances where the stand taken by the group on transactions is contested by revenue authorities. Any additional costs on account of these issues are accounted for as a tax expense at the point the liability is confirmed on any group entity.

Measurement of Fair values

v. Biological assets valuation

The group engages an independent valuer to assist in estimating the value of biological assets. The valuation considers the extent of planting, age of plantations, applicable discount rate and selling prices of the Fresh Fruit Bunches. If the planting period is not more than 3 months as at the reporting date, the Group is of the opinion that most appropriate method to value biological assets is at cost due to the fact that the fair value cannot be reliably measured, at such an early stage.

For biological assets with planting period that is more than 3 months, the Group present biological assets at its fair value using the Discounted Cash Flow method (DCF), The DCF requires extensive use of accounting estimates and assumptions including average lives of plantations, period of being immature and mature, yield per hectare and discount rates utilized in the computation of future cash flow. The amount of changes in fair values would differ if the Group utilised different assumptions. Any change in the fair values of these plantations would be recognised in the profit or loss.

vi. Fair value of property, plant and equipment and financial instruments

Where the fair values of financial instruments recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Management has also engaged an independent valuer to ascertain the fair value of significant property, plant and equipment. As the fair values exceeded the carrying values of these property, plant and equipment, no impairment charge was required.

Materiality and aggregation

Each material class of similar items is presented in aggregate in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES

The Accounting Policies set out below have been applied consistently to all periods presented in the Financial Statements of the Group and the Company unless otherwise indicated.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non controlling interests are based on a proportionate amount of the net assets of the subsidiary.

No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

(iii) Subsidiaries

Subsidiaries are entities controlled by the group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Adjustments required to the accounting policies of subsidiaries have been changed where ever necessary to align them with the policies adopted by the group.

In the Company's financial statements, investments in subsidiaries are carried at cost less impairment if any, in net recoverable value.

Company has consolidated the financial Statements of Carson Cumberbatch PLC (CCPLC) with the Group on the following basis.

- Company has a 45.68% direct holding of the voting rights of CCPLC.
- Directors are of the opinion that this direct holding is significant enough to influence other shareholders to obtain a clear majority of the voting rights of CCPLC
- Directors are also of the opinion that consolidation of Financial Statements of CCPLC gives a true and fair view of the affairs to the Shareholders of the Company.

The consolidated financial statements are prepared to a common financial year end of 31st March.

(iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently that retained interest is accounted for as an equity-accounted investee (Note 24) or as an available-for-sale financial asset (Note 25) depending on the level of influence retained.

(v) Investments in associates and jointly controlled entities (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 percent and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for under the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Financial year end

All companies in the Group have a common financial year which ends on 31st March, except the following.

Company	Nature of relationship	Financial year end
Guardian Acuity Asset Management Limited	Jointly controlled entity	31st December

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates as at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate as at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

- Qualifying cash flow hedges to the extent the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Sri Lanka Rupees at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Sri Lanka Rupees at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is not a fully owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is re-attributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories; financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss (FVTPL) or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as FVTPL comprise short-term sovereign debt securities actively managed by the Group's treasury department to address short-term liquidity needs.

Financial assets designated as fair values through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise debt securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, debt securities issued (including certain preference shares), bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

(iii) Stated capital

Ordinary shares

Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognised as an expense

(iv) Derivative financial instruments, including hedge accounting

The Group uses derivative financial instruments such as forward freight agreements and commodities futures contracts to hedge its risk associated with commodity price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the risk management objective of the hedge.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions.

(d) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant equipment are initially recorded at cost. Where items of property, plant & equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

Subsequent to the initial recognition of the asset at cost, the revalued property, plant & equipment are carried at revalued amounts less accumulated depreciation thereon and accumulated impairment losses.

The Group applies revaluation model to freehold properties and cost model to the remaining assets under property, plant & equipment which are stated at historical cost less accumulated depreciation less accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Revaluation of Freehold Properties

The freehold properties of the Group are carried at revalued amounts. Revaluation of these assets are carried out at least once in five (5) years in order to ensure the book value every year reflect the realizable value of such assets, and are depreciated over the remaining useful lives of such assets, wherever applicable.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognized as an expense. In these circumstances, the increase is recognized as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the evaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to accumulated profits on retirement or disposal of the asset.

(iii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on this re-measurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

(iv) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(v) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows;

	No of years
Land improvements	30
Leasehold Land	36-42
Buildings - Leased	20-40
Buildings - Freehold	20-40
Plant & machinery	5-27
Motor vehicles	4-5
Furniture, fittings & office	5-16
Computers	3-5
Returnable Containers	5
Cutlery, Crockery and glassware	5

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(vi) Disposal

The gains or losses arising on disposal or retirement of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment are recognized net within Other Income in the Statement of Income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(vii) Returnable Containers

Returnable containers of subsidiary Lion Brewery (Ceylon) PLC are classified under Property, Plant and Equipment. All purchases of returnable containers will be recognised at cost and depreciated over a period of 5 years. In the event a returnable container breaks within the premises of the company, the written down value, on a First in First out (FIFO) basis, will be charged to Statement of Income as breakages.

Deposits are collected from the agents for the returnable containers in their possession and are classified under current liabilities as explained in Note 37b The said deposit will be refunded to the agent only upon them returning these returnable containers due to cessation of their operation or due to a contraction in sales.

(viii) Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital in progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

(e) Biological assets

Biological assets, represent immature palm oil plantations, are stated at fair values less costs to sell. Oil palm trees have an average life up to 26 years, with the first 30-36 months as immature and the remaining years as mature. As market determined prices or values are not readily available for plantations in its present condition, the Group uses the present value of expected net future cash flows (excluding any future cash flows for financing the assets, taxation, or re-establishing plantations after harvest) from the assets, discounted at a current market determined pre-tax rate in determining fair values.

Gains or losses arising on initial recognition of plantations at fair values less costs to sell and from the change in fair values less costs to sell of plantations at each reporting date are included in the income statement for the period in which they arise.

(f) Plasma investments

Cost incurred during the development phase up to the conversion of the Plasma plantation are capitalised as Plasma investments The development of the Plasma oil palm plantations is financed by plasma loans, which was received by the plasma farmers (represented by "Cooperatives"), plus additional funding by the Group, should bank financing not be adequate to finance the development costs. Accumulated development costs are presented net of the plasma loans and are presented as "Plasma investments".

When the carrying amount of the Plasma investments is higher than its estimated recoverable amount, it is written down immediately to its recoverable amount. The difference between the accumulated development costs of Plasma plantations and their conversion value is charged to the income statement

(g) Lease Land rights

Land rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses.

Land use rights are amortised over the period of the lease.

(h) Intangible assets and goodwill

(i) Recognition and measurement

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see (Note 22).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Software

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses. These costs are amortised to the Statement of Income using the straight line method over 3 to 10 years.

Excise Licenses

Licenses and others are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the Statement of Income using the straight line method over 10 years.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows;

	No of years
Customer relationship	10
Land rights	30
Software licenses	3-10
Excise License	10

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Impairment

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

(i) Investment property

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale on the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the balance sheet date. Formal valuations are carried out every 3 years by qualified valuers. Gains or losses arising from changes in the fair values of investment properties are included in the Statement of Income in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the Investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the Statement of Income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by commencement/ end of owner occupation, commencement of development with a view to sale, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant & equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the Statement of Income. When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the Statement of Income.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(j) Inventories

Inventories are recognized at cost and net realizable value whichever is lower after making due allowance for obsolete and slow moving items, except for fresh fruit bunches which are valued at since realized values.

The cost of inventories is determined on a weighted average basis for food items which are ascertained on a first-in-first out basis. The costs are derived on the following bases;

Raw Material and Containers	Cost of purchase together with any incidental expenses.
Work-in-progress	Raw material cost and a proportion of manufacturing expenses.
Finished Goods	Raw material cost and manufacturing expenses in full.
Land held for Development	Cost and development costs including and Sales borrowings costs up to Point of completion for revenue recognition. However limited to the realizable value on valuation.
Linen Stock	In the year of purchase at cost of purchase and in the second year in use at 25% of the Cost of purchase.

(k) Impairment

(i) Non derivative financial assets

A financial asset not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20 percent to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 24.

An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets (if applicable) are deducted. All actuarial gain/(loss) are recognised in the other comprehensive income.

The discount rate is the yield at the reporting date on high quality corporate bonds, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

The defined benefit plans are regulated at each of the geographical locations the Group operates in and the salient features of each of such plans are tabulated below;

(a) Sri Lankan Subsidiaries

All local companies are liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983.

The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Such actuarial valuations will be carried out once in every year. The liability is not externally funded. All Actuarial gains or losses are recognised immediately in other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

(b) Indonesian Subsidiaries

The subsidiaries recognize an unfunded retirement benefits liability, relating to the settlement of termination, gratuity, compensation and other benefits set forth in Labor Law No. 13 year 2003 (Law No. 13/2003) based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method". lives of all actuarial gains or losses are recognised immediately in other comprehensive income.

(c) Malaysian Subsidiaries

The Group's subsidiary operations in Malaysia are liable to pay Retirement Gratuity where employees have served in the Company's operations in Malaysia for more than five years and fulfilling the conditions in the Malaysian Agricultural Producers Association and National Union Plantation Worker's agreements. The resulting difference between brought forward provision at the beginning of the year, net of any payment made, and the carried forward provision at the end of a year, is dealt with in the Statement of Income. The gratuity liability is not funded.

The Group's subsidiary operations in Malaysia participate in the national pension scheme as defined by the law of the country. They make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(d) Indian subsidiary

The Group's subsidiary in India has both defined contribution and defined benefits schemes for its employees.

Retirement benefit in the form of provident fund is a defined contribution scheme for the Indian Subsidiary. The contributions to the provident fund are charged to the income statement for the year when the contributions are due. The Subsidiary has no obligation, other than the contribution payable to the provident fund.

The subsidiary operates one defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the "projected unit credit method". Actuarial gains and losses for both defined benefit plans are recognised in full in the period in which they occur in the other comprehensive income.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

(ii) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(iii) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(iv) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(n) Leases

(i) Finance Lease

Leases of property, plant & equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Assets held under finance lease are capitalized at the cash price as part of property, plant & equipment and depreciated over the shorter of the estimated useful lives of the assets or the lease term.

Upon initial recognitions assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the estimated present value of the minimum lease payments at the date of inception less accumulated depreciation and impairment losses. In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not ,the group’s incremental borrowing rate is used.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations and net of finance charges are included in borrowings. The interest element of the finance charge is charged to the Statement of Income over the lease period. Property, plant and equipment acquired under finance lease contracts are depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

(ii) Operating Lease

Lease of assets under which all the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Income on a straight-line basis over the period of the lease.

(iii) Leased assets

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(iv) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(v) Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met

- the fulfillment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s). At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(o) Revenue

The Group revenue represents sales to customers outside the Group and sales within the Group which are intended for internal consumption.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Group.

The following specific criteria are used for the purpose of recognition of revenue;

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sales of timber and paper products, usually transfer occurs when the product is delivered to the customer's warehouse; however, for some international shipments transfer occurs on loading the goods onto the relevant carrier at the port. Generally, for such products the customer has no right of return.

(ii) Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows;

- Servicing fees included in the price of the products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- Revenue from time and material contracts is recognized at the contractual rates as labor hours are delivered and direct expenses are incurred.

(iii) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(iv) Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income.

(v) Government grants

An unconditional government grant related to a biological asset is recognised in profit or loss as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

(vi) Royalties

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement.

(vii) Dividend Income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(viii) Sale of Fresh Fruit Bunches

Upon delivery and acceptance by customers.

(ix) Gain on disposal of financial assets (categorized as available for sale / fair value through profit or loss)

Profits or losses on disposal of investments are accounted for in the Statement of Income on the basis of realized net profit.

(x) Other Income - on accrual basis.

Net gains and losses of a revenue nature resulting from the disposal of property, plant & equipment have been accounted for in the Statement of Income.

(p) Expenditure Recognition

(i) Operating Expenses

All expenses incurred in day-to-day operations of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year. Provision has also been made for bad and doubtful debts, all known liabilities and depreciation on property, plant & equipment.

(ii) Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the re-measurement to fair value of any pre-existing interest in an acquiree in a business combination, gains on hedging instruments that are recognised in profit or loss and reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, dividends on preference shares classified as liabilities, contingent consideration, losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(q) Income tax expense

Income Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) Deferred taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.
  The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the resumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, based on the level of future taxable profit forecasts and tax planning strategies.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(iv) Economic Service Charge (ESC)

As per the provisions of Economic Service Charge Act No. 13 of 2006 and amendments thereto, is payable on "Liable Turnover" and is deductible from the income tax payments. Any unclaimed ESC can be carried forward and settled against the income tax payable in the four subsequent years.

(v) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales taxes incurred in a purchase of assets services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amounts of sales tax included.

  The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

(r) Assets held for sale and discontinued operations

(i) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for- sale or held-for- distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use.

Immediately before classification as held-for-sale or held for- distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale or held-for-distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which;

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

(s) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(t) Related party transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies decisions of the other, irrespective of whether a price is charged.

(u) Events after the Reporting Period

All material and important events which occur after the Balance Sheet date have been considered and disclosed in Note 46.

(v) Dividends on ordinary Shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

(w) Presentation

Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

Where appropriate, the significant accounting policies are disclosed in the succeeding Notes.

(i) Offsetting Income and Expenses

Income and expenses are not offset unless required or permitted by accounting standards.

(ii) Offsetting Assets and Liabilities

Assets and liabilities are offset and the net amount reported in the statement of financial position only where there is;

- a current enforceable legal right to offset the asset and the liability; and
- an intention to settle the liability simultaneously

(iii) Directors' responsibility

The Board of Directors is responsible for the preparation and presentation of the Financial Statements. This is more fully described under the relevant clause in the Directors' Report.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows;

- Level 1- Quoted prices (unadjusted) in active markets for identifiable assets and liabilities
- Level 2- Inputs other than quoted prices included in Level 1 that are observable from the asset or liability either directly (as prices) or indirectly (derived prices)
- Level 3 – Inputs from the asset or liability that are not based on observable market data (unobservable inputs) If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair

value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement .

(a) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which property could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(b) Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(c) Biological assets

The fair value of biological assets is based on the present value of the net cash flows expected to be generated by the plantation at maturity, in its most relevant market, and includes the potential additional biological transformation and the related risks associated with the asset. A current market determined pre-tax rate is used in discounting the cash flows.

(d) Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every 3 years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Investment property under construction is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin.

(e) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(f) Equity and debt securities

The fair values of investments in equity and debt securities are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate.

Subsequent to initial recognition, the fair values of held-to-maturity investments are determined for disclosure purposes only.

(g) Trade and other receivables

The fair values of trade and other receivables, excluding construction work in progress, are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(h) Forward exchange contracts and interest rate swaps

The fair values of the derivative financial instruments are ascertained with reference to the following facts;

- fair value of forward contracts is determined by reference to current forward prices for contracts with similar maturity profiles. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

- fair value futures contract is determined by reference to available market information.
- Where the quoted market prices are not available, the fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

(i) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

For finance leases the market rate of interest is determined with reference to similar lease agreements.

(i) Deferred revenue

The amounts arising from the fair valuation of interest free rent deposits are estimated at the point of their receipt and amortized over the term of the lease.

(k) Contingent consideration

The fair value of contingent consideration arising in a business combination is calculated using the income approach based on the expected payment amounts and their associated probabilities. When appropriate, it is discounted to present value.

5. OPERATING SEGMENTS

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers' report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in including the factors used to identify the reportable segments and the measurement basis of segment information.

6. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which have become applicable for financial periods beginning on or after 1st January 2014.

Accordingly, these Standards have not been applied in preparing these financial statements.

- Sri Lanka Accounting Standards –SLFRS 10 “Consolidated financial statements”

The objective of this SLFRS is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

An investor is expected to control an investee if and only if the investor has all the following;

(a) power over the investee;
(b) exposure, or rights, to variable returns from its involvement with the investee; and
(c) the ability to use its power over the investee to affect the amount of the investor’s returns

This Standard requires the Company to review the group structure in the context of the requirements of the new Standard. Accordingly adoption of this standard is expected to have no material impact on the Group structure, and consolidated reporting.

SLFRS 10 has become effective from 1st April 2014 for the Group.
The require accounting adjustment are being reviewed by the management and will be made in the interim financial statements for the quarter ended 30th June 2014 which will be the first set of financial statements that will be published after the adoption of this standard.

- Sri Lanka Accounting Standards –SLFRS 11 “Joint Arrangements”

The objective of this SLFRS is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

SLFRS 11 has become effective from 1st April 2014 for the Group. This SLFRS has superseded the requirements relating to consolidated financial statements in LKAS 31”Interests in Joint Ventures”

- Sri Lanka Accounting Standard-SLFRS 12 ”Disclosure of Interests in Other Entities”

SLFRS 12 has become effective from 1st April 2014 for the Group and it requires additional disclosures in the financial statements.

- Sri Lanka Accounting Standard - SLFRS 13, “Fair Value Measurement”
  This SLFRS defines fair value, sets out in a single SLFRS a framework for measuring fair value; and requires disclosures about fair value measurements.

This SLFRS has become effective for the Group from 1st April 2014.

This SLFRS will be applied prospectively as of the beginning of the annual period in which it is initially applied. The disclosure requirements of this SLFRS need not be applied in comparative information provided for periods before initial application of this SLFRS.

Based on internal assessment the group does not expect any significant financial impact on adoption of this standards.

- Sri Lanka Accounting Standard – SLFRS 9 “Financial Instruments”
  The objective of this SLFRS is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows.

An entity shall apply this SLFRS to all items within the scope of LKAS 39 Financial Instruments: Recognition and Measurement.

The effective date of this standard has been deferred.

(Amounts expressed in Sri Lankan Rs. '000)

7. REVENUE

(i) Revenue Analysis

	Group		Company	
For the year ended 31st march	2014	2013	2014	2013
Gross Revenue	79,608,228	78,955,370	404,217	389,724
Taxes to the Government of Sri Lanka	(3,065,440)	(2,794,957)	-	-
Net Revenue	76,542,788	76,160,413	404,217	389,724
Goods and Services analysis				
Sale of Goods	75,328,561	76,443,147	-	-
Services				
Investment income	5,423,982	4,954,635	404,217	389,724
Property rental income	174,144	126,040	-	-
Commission, suport services fees and royalty fees	3,463,260	3,784,790	-	-
Hospitality services	459,464	498,987	-	-
	9,520,850	9,364,452	404,217	389,724
Net revenue before intra - group transactions	84,849,411	85,807,599	404,217	389,724
Less: Intra - group transactions	(8,306,623)	(9,647,186)	-	-
Net Revenue	76,542,788	76,160,413	404,217	389,724

A detailed analysis of Group Revenue highlighting the contribution from different segments is given under 'Segmental Information' in Note 7 (page 114 to 119) to the financial statements.

(ii) Segmental Information

For management purposes the Group's primary format segment reporting is Industry segments and the secondary format is geographical segments. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the Group engages in, rather than the geographical location of these operations.

This is reflected by the Group's organizational structure. Industry segment activities of the Group have been broadly classified into eight segments: Investment Holdings, Portfolio and Asset Management, Oil Palm Plantations, Beverage, Real-Estate, Leisure, Oils & fats and Management Services according to the nature of product or service rendered. The principal product and services of each segments are follows.

Investment Holdings	- Holding of Strategic Investment
Portfolio Management	- Investment and management of listed, private equity, fixed income and unit trust investments
Oil Palm Plantations	- Production and sale of palm oil, palm kernel and fresh fruit bunches to the local and international market
Beverage	- Production and sale of Beer
Real Estate	- Letting office and warehouse premises on rent for commercial purpose.
Leisure	- Hoteliering and Airline Ticketing
Oils & Fats	- Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate and confectionery, ice creams and creamer industries and cooking oil products to end consumers.
Management Services	- Providing support services to the Group Companies

Sales between segments are made at prices that approximate the market prices. Segment revenue, segment expenses and segment results include transactions between industry segments. These transactions and any unrealized profits and losses are eliminated on consolidation. Segmental expenses are expenses that are directly attributed to a relevant segment or a portion of expenses that can be allocated on a reasonable basis as determined by the Management.

The Group's geographical segments are based on the location of the Group's assets and spread of operations. The activities of the Group have been broadly classified into five geographical segments, namely, operations within Sri Lanka, Malaysia, Indonesia, Singapore and India. Sales to external customers are segmented based on the location of the seller. The principal product and services of each geographical segments are follows:

Sri Lanka	- Portfolio and asset management, Production and sale of Beer, letting of Office and warehouse premises for commercial purposes, Hoteliering, Airline Ticketing and Management Service.
Malaysia	- Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice creams and creamer industries and cooking oil products to end consumers and Management Services. Production and sale of FFB.
Indonesia	- Management Service, production and sale of palm oil and palm kernel to the local and international markets.
Singapore	- Investments holdings
India	- Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice creams and creamer industries and cooking oil products to end consumers.

Principal categories of customers

The principal categories of customers for these goods and services are corporate customers, government customers, wholesale customers and retail customers. The group's reportable segments are therefore as follows:

Portfolio and Asset Management	- corporate customers, retail customers
Oil Palm Plantations	- corporate customers
Beverage	- wholesale & retail customers
Real Estate	- corporate customers
Leisure	- corporate customers, retail customers
Oils & Fats	- corporate customers, retail customers
Management Services	- corporate customers

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

7.1

(ii) *Segmental Information - The Primary Segments (Business Segments)*

(a) Segment results are as follows:

For the year ended 31st March	Investment Holding 2014	Investment Holding 2013	Portfolio & Asset Management 2014	Portfolio & Asset Management 2013	Oil Palm Plantations 2014	Oil Palm Plantations 2013	Oils & Fats 2014	Oils & Fats 2013
Total revenue	1,043,511	1,066,866	2,581,148	1,924,703	27,814,852	32,012,855	26,342,303	26,604,792
Intra segment revenue	(179,412)	(179,412)	(706,638)	(201,427)	(5,467,514)	(6,215,530)	(150,914)	(1,168,561)
Segment revenue	864,099	887,454	1,874,510	1,723,276	22,347,338	25,797,325	26,191,389	25,436,231
Inter segment revenue	(845,596)	(861,934)	(59,121)	(62,079)	-	-	(298,628)	(376,938)
Revenue	18,503	25,520	1,815,389	1,661,197	22,347,338	25,797,325	25,892,761	25,059,293
Segment results	(69,173)	(93,474)	1,672,822	1,579,192	8,282,697	8,615,031	367,128	(895,290)
Foreign exchange gain / (losses)	(11,757)	(22,875)	(109)	42	(2,795,880)	(739,631)	(95,241)	(90,410)
Change in fair value of Biological Assets	-	-	-	-	3,182,098	4,881,099	-	-
Change in fair value of investment properties	-	-	-	-	-	-	-	-
Profit / (loss) from operations	(80,930)	(116,349)	1,672,713	1,579,234	8,668,915	12,756,499	271,887	(985,700)
Net Finance cost	(182,496)	(214,912)	(2,303)	(19,142)	(1,138,887)	(615,834)	(464,767)	(634,374)
Share of net result of Joint venture	-	-	(839)	(7,832)	-	-	-	-
Profit/ (loss) before taxation	(263,426)	(331,261)	1,669,571	1,552,260	7,530,028	12,140,665	(192,880)	(1,620,074)
Income tax expenses								
Current taxation	(11,995)	1,863	(101,463)	(34,775)	(1,451,987)	(2,040,100)	9,008	(13,519)
Deferred taxation	-	-	(8,557)	11,196	(793,707)	(1,387,009)	55,643	95,502
	(11,995)	1,863	(110,020)	(23,579)	(2,245,694)	(3,427,109)	64,651	81,983
Profit/ (loss) for the year	(275,421)	(329,398)	1,559,551	1,528,681	5,284,334	8,713,556	(128,229)	(1,538,091)
Attributable to:								
Owners of the Company	(144,019)	(160,258)	353,821	377,698	2,801,843	4,678,816	(92,705)	(938,404)
Non controlling interest	(131,402)	(169,140)	1,205,730	1,150,983	2,482,491	4,034,740	(35,524)	(599,687)
	(275,421)	(329,398)	1,559,551	1,528,681	5,284,334	8,713,556	(128,229)	(1,538,091)
Earnings/(loss) per ordinary share (Rs.)	(1.41)	(1.57)	3.47	3.70	27.47	45.87	(0.91)	(9.20)

(b) Other Information

	Investment Holding 2014	Investment Holding 2013	Portfolio & Asset Management 2014	Portfolio & Asset Management 2013	Oil Palm Plantations 2014	Oil Palm Plantations 2013	Oils & Fats 2014	Oils & Fats 2013
Total cost incurred during the period to acquire Property, Plant & Equipment/Biological Assets	-	-	9,832	1,449	10,756,074	14,116,666	1,613,067	1,951,590
Intangible assets (including land rights)	-	-	-	-	559,670	968,512	9,965	2,863
Depreciation	-	-	2,948	2,886	1,763,352	1,669,256	414,123	364,491
Amortization of Intangible assets (including land rights)	-	-	2,817	2,709	270,474	256,315	-	
Salaries, fees, wages and related expenses	13,566	12,172	52,745	46,664	5,294,176	4,856,199	1,002,237	764,214
Defined benefit plan expenses - Gratuity	-	-	4,769	4,000	252,135	172,306	2,342	305

	Beverage		Real Estate		Leisure		Management Services		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	26,140,636	23,294,277	174,143	126,040	459,464	498,988	293,354	279,078	84,849,411	85,807,599
	(294,649)	(292,064)	-	-	-	-	-	-	(6,799,127)	(8,056,994)
	25,845,987	23,002,213	174,143	126,040	459,464	498,988	293,354	279,078	78,050,284	77,750,605
	-	-	(12,620)	(12,770)	-	-	(291,529)	(276,471)	(1,507,496)	(1,590,192)
	25,845,987	23,002,213	161,523	113,270	459,464	498,988	1,825	2,607	76,542,788	76,160,413
	2,400,613	1,603,987	172,363	55,638	58,314	150,396	7,550	12,175	12,892,314	11,027,656
	(43,281)	12,406			373	539			(2,945,895)	(839,929)
	-	-	-	-	-	-	-	-	3,182,098	4,881,099
	-	-	79,209	62,409	-	-	-	-	79,209	62,409
	2,357,332	1,616,393	251,572	118,047	58,687	150,935	7,550	12,175	13,207,726	15,131,235
	(296,192)	(26,360)	(1,620)	(1,178)	12,652	15,664	97	(10)	(2,073,516)	(1,496,146)
	-	-	-	-	-	-	-	-	(839)	(7,832)
	2,061,140	1,590,033	249,952	116,869	71,339	166,599	7,647	12,165	11,133,371	13,627,257
	(477,568)	(358,556)	(18,354)	(15,153)	(4,353)	(9,599)	(4,321)	(10,705)	(2,061,033)	(2,480,544)
	(414,518)	(214,102)	(33,276)	(877)	(4,422)	(6,833)	-	-	(1,198,837)	(1,502,122)
	(892,086)	(572,658)	(51,630)	(16,030)	(8,775)	(16,432)	(4,321)	(10,705)	(3,259,870)	(3,982,666)
	1,169,054	1,017,375	198,322	100,839	62,564	150,167	3,326	1,460	7,873,501	9,644,591
	242,899	212,337	83,421	44,126	27,904	63,725	1,853	667	3,275,017	4,278,709
	926,155	805,038	114,901	56,713	34,660	86,442	1,473	793	4,598,484	5,365,882
	1,169,054	1,017,375	198,322	100,839	62,564	150,167	3,326	1,460	7,873,501	9,644,591
	2.38	2.08	0.82	0.43	0.27	0.62	0.02	0.01	31.67	41.51
	4,627,143	3,677,236	104,710	112,960	61,485	97,752	43,737	35,353	17,216,048	19,928,895
	1,821	484	-	-	-	-	-	386	571,456	972,245
	613,093	533,388	8,125	6,358	39,973	26,625	19,848	9,354	2,861,462	2,612,358
-	9,073	10,700	-	-	-	-	157	128	282,521	269,852
	418,507	445,682	31,119	29,783	113,909	92,692	168,004	132,034	7,094,263	6,379,440
	18,539	15,209	819	821	2,578	6,262	5,755	4,813	286,937	203,715

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

(c) Segments Assets/ liabilities are as follows:

	Investment Holding		Portfolio & Asset Management		Oil Palm Plantations		Oils & Fats	
For the year ended 31st March	2014	2013	2014	2013	2014	2013	2014	2013
SEGMENT ASSETS								
Non - Current Assets								
Property, plant & equipment /Investment properties	-	-	10,087	3,202	34,967,657	35,587,951	10,249,716	9,358,345
Biological Assets	-	-	-	-	46,817,103	42,787,232	-	-
Intangible assets	84,791	84,791	1,752	4,571	704,050	757,117	1,920,311	1,966,026
Available-for-sale financial assets	-	-	8,236,313	8,089,740	-	-	-	-
Deferred tax assets	-	-	1,847	10,404	1,735,942	1,371,020	-	-
Trade and other receivables	-	-	-	-	966,857	197,240	5,455	-
Total non - current assets	84,791	84,791	8,249,999	8,107,917	85,191,609	80,700,560	12,175,482	11,324,371
Current Assets								
Inventories	-	-	-	-	2,088,345	1,981,573	3,118,252	2,850,499
Trade and other receivables	10,745	18,208	94,384	187,415	3,672,712	5,075,452	3,297,237	1,947,657
Fair value through profit or loss financial assets	-	-	1,233,053	965,538	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	12,602	14,858
Cash and cash equivalents	104,452	77,039	2,802,632	2,750,445	6,256,346	1,022,476	784,545	177,982
Total current assets	115,197	95,247	4,130,069	3,903,398	12,017,403	8,079,501	7,212,636	4,990,996
Total segmental assets	199,988	180,038	12,380,068	12,011,315	97,209,012	88,780,061	19,388,118	16,315,367
SEGMENT LIABILITIES								
Non - Current Liabilities								
Loans and borrowings	-	-	-	-	29,974,994	20,033,630	3,251,648	4,655,975
Trade and other payables	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	7,306,927	6,616,344	640,605	583,710
Employee benefits	-	-	7,609	5,425	877,745	1,105,834	7,376	5,995
Total non - current liabilities	-	-	7,609	5,425	38,159,666	27,755,808	3,899,629	5,245,680
Current Liabilities								
Trade and other payables	204,648	155,775	247,818	85,399	9,413,493	6,174,699	3,475,423	1,405,598
Loans and borrowings	1,022,525	1,632,210	4,288	27,161	7,253,485	10,143,489	9,396,489	7,664,127
Total current liabilities	1,227,173	1,787,985	252,106	112,560	16,666,978	16,318,188	12,871,912	9,069,725
Total segmental liabilities	1,227,173	1,787,985	259,715	117,985	54,826,644	44,073,996	16,771,541	14,315,405

	Beverage		Real Estate		Leisure		Management Services		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	12,065,405	8,322,403	2,386,711	2,680,073	1,206,292	1,147,687	61,892	38,012	60,947,760	57,137,673
	-	-	-	-	-	-	-	-	46,817,103	42,787,232
	412,132	163,570	12,799	12,799	-	-	343	500	3,136,178	2,989,374
	-	-	-	-	-	-	-	-	8,236,313	8,089,740
	-	-	-	-	-	-	-	-	1,737,789	1,381,424
	-	-	-	-	109,906	98,441	-	-	1,082,218	295,681
	12,477,537	8,485,973	2,399,510	2,692,872	1,316,198	1,246,128	62,235	38,512	121,957,361	112,681,124
	2,721,414	2,406,715	-	5,714	12,836	14,981	126	90	7,940,973	7,259,572
	2,653,123	3,101,078	58,375	40,579	48,796	64,997	70,031	19,791	9,905,403	10,455,178
	-	-	-	-	-	-	-	-	1,233,053	965,538
	-	-	-	-	-	-	-	-	12,602	14,858
	6,868,714	3,781,820	22,049	8,500	74,427	76,820	22,618	38,440	16,935,783	7,933,522
	12,243,251	9,289,613	80,424	54,793	136,059	156,798	92,775	58,321	36,027,814	26,628,668
	24,720,788	17,775,586	2,479,934	2,747,665	1,452,257	1,402,926	155,010	96,833	157,985,175	139,309,792
	5,498,190	2,738,906	-	-	7,878	16,447	-	-	38,732,710	27,444,958
	-	-	50,492	28,077	-	-	-	-	50,492	28,077
	1,204,097	789,579	144,521	111,245	28,741	24,318	-	-	9,324,891	8,125,196
	93,899	79,697	5,052	5,560	14,063	11,922	32,293	26,198	1,038,037	1,240,631
	6,796,186	3,608,182	200,065	144,882	50,682	52,687	32,293	26,198	49,146,130	36,838,862
	2,879,455	2,847,935	162,616	44,614	89,200	57,763	53,411	46,410	16,526,064	10,818,193
	8,169,806	5,313,863	-	-	8,568	8,568	-	-	25,855,161	24,789,418
	11,049,261	8,161,798	162,616	44,614	97,768	66,331	53,411	46,410	42,381,225	35,607,611
	17,845,477	11,769,980	362,681	189,496	148,450	119,018	85,704	72,608	91,527,355	72,446,473

(Amounts expressed in Sri Lankan Rs. '000)

(ii) Segmental Information - The Secondary Segments (Geographical Segments)

(a) Segment results are as follows:

	Sri Lanka		Malaysia	
For the year ended 31st March	2014	2013	2014	2013
Revenue	28,306,418	25,329,221	20,179,195	21,984,534
Segment results	4,227,262	3,319,834	849,166	147,174
Foreign exchange gain / (losses)	(58,990)	(46,302)	18,239	5,516
Change in fair value of Biological Assets	-	-	63,768	93,838
Change in fair value of investment properties	79,209	62,409		
Profit / (loss) from operations	4,247,481	3,335,941	931,173	246,528
Net Finance cost	(463,496)	(229,998)	(402,475)	(399,385)
Share of net result of Joint ventures	(839)	(7,832)	-	-
Profit/(loss) before taxation	3,783,146	3,098,111	528,698	(152,857)
Income tax expenses				
Current taxation	(620,562)	(430,326)	(101,825)	(212,503)
Deferred taxation	(461,000)	(210,617)	35,538	72,424
Profit/(loss) for the year	2,701,584	2,457,168	462,411	(292,936)

(b) Segments Assets/Liabilities are as follows:

	Sri Lanka 2014	Sri Lanka 2013	Malaysia 2014	Malaysia 2013
Segment Assets				
Non - Current Assets				
Property, plant & equipment/Investment properties	15,880,915	12,393,627	14,758,791	13,778,403
Biological Assets	-	-	1,019,675	967,608
Intangible assets	650,929	388,390	1,675,308	1,718,197
Available-for-sale financial assets	8,236,313	8,089,740	-	-
Deferred tax assets	1,847	10,405	2,329	2,329
Trade and other receivables	109,906	98,441	-	-
Total non - current asset	24,879,910	20,980,603	17,456,103	16,466,537
Current Assets				
Inventories	2,734,378	2,430,370	2,580,446	1,983,258
Trade and other receivables	3,073,149	3,581,627	2,947,377	1,693,826
Fair value through profit or loss financial assets	1,233,053	965,538	-	-
Derivative financial instruments	-	-	12,602	14,858
Cash and cash equivalents	10,113,474	7,035,973	507,522	35,818
Total current assets	17,154,054	14,013,508	6,047,947	3,727,760
Total segmental assets	42,033,964	34,994,111	23,504,050	20,194,297
Segment Liabilities				
Non - Current Liabilities				
Loans and borrowings	5,506,068	2,755,353	3,251,648	4,655,319
Trade and other payables	50,492	28,077	-	-
Deferred tax liabilities	1,377,359	925,142	902,140	830,776
Employee benefits	164,646	140,242	8,329	9,681
Total non - current liabilities	7,098,565	3,848,814	4,162,117	5,495,776
Current Liabilities				
Trade and other payables	3,868,912	3,424,510	2,515,333	977,620
Loans and borrowings	9,201,792	6,981,802	8,163,934	5,827,006
Total current liabilities	13,070,704	10,406,312	10,679,267	6,804,626
Total segmental liabilities	20,169,269	14,255,126	14,841,384	12,300,402

(C) Other Information

	Sri Lanka 2014	Sri Lanka 2013	Malaysia 2014	Malaysia 2013
Total cost incurred during the period to acquire:				
Property, Plant & Equipment/Biological Assets	4,872,171	4,029,255	1,625,535	1,880,115
Intangible assets	33,891	58,583	9,964	49,706
Depreciation	761,279	647,306	306,261	303,059
Amortization of Intangible assets (including land rights)	27,163	25,515	35,390	19,598
Salaries, fees, wages and related expenses	1,119,872	1,034,619	987,405	674,398
Defined benefit plan expenses - Gratuity	37,014	31,105	1,171	1,867

Indonesia		Singapore		India		Group	
2014	2013	2014	2013	2014	2013	2014	2013
21,541,940	24,502,722	463	310,950	6,514,772	4,032,986	76,542,788	76,160,413
8,052,066	8,431,011	(188,501)	(442,250)	(47,679)	(428,113)	12,892,314	11,027,656
(2,757,613)	(680,767)	(54,387)	(20,252)	(93,144)	(98,124)	(2,945,895)	(839,929)
3,118,330	4,787,261					3,182,098	4,881,099
						79,209	62,409
8,412,783	12,537,505	(242,888)	(462,502)	(140,823)	(526,237)	13,207,726	15,131,235
(767,618)	(280,990)	(376,375)	(351,367)	(63,552)	(234,406)	(2,073,516)	(1,496,146)
-	-	-	-	-	-	(839)	(7,832)
7,645,165	12,256,515	(619,263)	(813,869)	(204,375)	(760,643)	11,133,371	13,627,257
(1,253,058)	(1,719,258)	(85,589)	(115,541)	-	(2,916)	(2,061,033)	(2,480,544)
(779,431)	(1,406,038)	-	35,913	6,056	6,195	(1,198,837)	(1,502,122)
5,612,676	9,131,219	(704,852)	(893,497)	(198,319)	(757,364)	7,873,501	9,644,591
28,683,690	29,103,539	35,535	43,804	1,588,829	1,818,300	60,947,760	57,137,673
45,797,428	41,819,624	-	-	-	-	46,817,103	42,787,232
533,742	587,780	-	-	276,199	295,007	3,136,178	2,989,374
-	-	-	-	-	-	8,236,313	8,089,740
1,696,621	1,332,768	36,992	35,922	-	-	1,737,789	1,381,424
966,857	197,240	-	-	5,455	-	1,082,218	295,681
77,678,338	73,040,951	72,527	79,726	1,870,483	2,113,307	121,957,361	112,681,124
2,085,021	1,976,971	-	-	541,128	868,973	7,940,973	7,259,572
3,388,075	4,365,877	69,177	511,377	427,625	302,470	9,905,403	10,455,178
-	-	-	-	-	-	1,233,053	965,538
-	-	-	-	-	-	12,602	14,858
4,360,243	560,220	1,501,697	19,543	452,847	281,968	16,935,783	7,933,522
9,833,339	6,903,068	1,570,874	530,920	1,421,600	1,453,411	36,027,814	26,628,668
87,511,677	79,944,019	1,643,401	610,646	3,292,083	3,566,718	157,985,175	139,309,792
13,877,237	11,481,900	16,097,756	8,552,386	-	-	38,732,710	27,444,958
-	-	-	-	-	-	50,492	28,077
7,045,392	6,369,278	-	-	-	-	9,324,891	8,125,196
857,685	1,084,710	-	5,998	7,377	-	1,038,037	1,240,631
21,780,314	18,935,888	16,097,756	8,558,384	7,377	-	49,146,130	36,838,862
8,927,504	5,779,009	176,134	170,287	1,038,181	466,767	16,526,064	10,818,193
4,309,333	4,426,460	2,947,548	5,710,050	1,232,554	1,844,100	25,855,161	24,789,418
13,236,837	10,205,469	3,123,682	5,880,337	2,270,735	2,310,867	42,381,225	35,607,611
35,017,151	29,141,357	19,221,438	14,438,721	2,278,112	2,310,867	91,527,355	72,446,473
10,704,495	13,937,303	260	48,886	13,587	33,336	17,216,048	19,928,895
527,601	863,956	-	-	-	-	571,456	972,245
1,776,054	1,656,624	9,758	4,149	8,110	1,220	2,861,462	2,612,358
219,968	224,739	-	-	-	-	282,521	269,852
4,847,638	4,555,164	-	-	139,348	115,259	7,094,263	6,379,440
246,410	170,438	-	-	2,342	305	286,937	203,715

(Amounts expressed in Sri Lankan Rs. '000)

8. DIRECT OPERATING EXPENSES

	Group	
For the year ended 31st March	2014	2013
Cost of inventories recognised as expense – physical deliveries	19,059,454	17,955,985
Depreciation and overheads	3,506,723	3,243,022
Harvesting and plantation maintenance	4,970,722	6,211,712
Processing (milling) costs	748,913	771,407
Purchase of FFB	602,800	1,876,066
Production costs	2,369,693	2,175,474
Feedstock costs	20,984,791	20,921,087
Others	256,651	230,292
	52,499,747	53,385,045

9. OTHER INCOME

	Group	
For the year ended 31st March	2014	2013
Profit/(loss) on disposal of fixed assets:		
Beverage	3,566	3,765
Oil Palm Plantation	702	11,422
Oil & Fats	(2,960)	(6,275)
Real estate	-	1,183
Leisure	-	(8)
Portfolio & Asset Management	2,566	(25)
Management Services	14,908	3,996
	18,782	14,058
Profit on disposal of investment properties	79,809	-
Derivative gain/(loss)	(727)	40,352
Sales of sludge Oil	80,660	15,360
Sundry income	307,998	346,340
	486,522	416,110

10. IMPAIRMENT OF BUSINESS ASSETS

The impairment loss of (Group) Rs. 55.94 Mn recognised in the profit or loss in the comparative year is due to the adjustment on significant/ prolonged decline in fair value of investment in equity securities below its cost as required by LKAS – 39 "Financial Instruments; recognition and measurement".

11. OTHER OPERATING EXPENSES

Other operating expenses mainly consists of power and energy costs and maintenance expenditure of the Beverage sector.

(Amounts expressed in Sri Lankan Rs. '000)

12. FOREIGN EXCHANGE LOSSES

	Group	
For the year ended 31st March	2014	2013
Net foreign exchange loss on operating activities	2,945,895	839,929
	2,945,895	839,929

(a) Investment Holding sector

As at 31st March 2014, the Carson Cumberbatch PLC recorded a foreign exchange loss amounting to Rs.11.75 Mn [2013 - Rs.22.08 Mn], arising from translation of Sterling Pound denominated contingent liability and revaluation of US Dollar denominated long - term borrowings.

(b) Oil palm Plantations and Oils and Fats segments

The foreign exchange loss relates to the assets, liabilities, income and expenses of the Goodhope Asia Holding Ltd and its subsidiaries whose transactions and balances are recorded in different currencies other than the reporting currency.

For the year ended 31st March 2014, the Oil palm Plantations and Oils and Fats segments recorded a foreign exchange loss of US$ 21.94 Mn. This includes realized exchange loss of US$ 2.8 Mn and unrealized exchange loss of US$ 19.14 Mn. The unrealized exchange loss mainly arose from the translation of foreign currency denominated long term borrowings as at the Reporting date consequent to a significant depreciation of the Indonesian rupiah (IDR) against the US dollar (USD) during the year ended 31st March 2014.

The closing exchange rate of IDR against USD as at 31st March , 2014 was IDR 11,404 which is a 17% depreciation compared to the closing exchange rate that prevailed as at 31st March, 2013.

(c) Beverage Sector

As at 31st March 2014, the Company's subsidiary, Lion Brewery (Ceylon) PLC recorded a foreign exchange loss of Rs. 43.28 mn [2013 gain of Rs. 12.04mn], arising mainly from revaluation of US Dollar denominated long - term borrowings.

13. NET FINANCE COST

	Group	
For the year ended 31st March	2014	2013
Interest expenses		
Bank borrowings	4,271,313	3,289,790
Dividend on redeemable preference shares	1,919	8,726
Debenture interest	176,598	-
Finance Lease liabilities	12,381	3,649
	4,462,211	3,302,165
Less: Amount capitalized under		
Property, Plant and Equipment	(744,504)	(410,824)
Biological assets	(949,282)	(809,178)
Total finance costs	2,768,425	2,082,163
Finance income		
Interest income on short term bank deposits	(694,909)	(586,017)
Total Finance income	(694,909)	(586,017)
Net Finance costs	2,073,516	1,496,146

(Amounts expressed in Sri Lankan Rs. '000)

14. PROFIT BEFORE INCOME TAX

	Group		Company	
For the year ended 31st March	2014	2013	2014	2013
Profit before tax has been arrived at after charging				
Depreciation on property, plant and equipment	2,861,462	2,612,358	-	-
Less - Amount capitalised as part of cost of biological assets	(198,548)	(222,384)	-	-
Depreciation on property, plant and equipment -net	2,662,914	2,389,974	-	-
Amortization of intangible assets and prepaid lease payment for land	282,521	269,852	-	-
Less - Amount capitalised as part of cost of biological assets	(97,322)	(105,292)	-	-
Net amortization of intangible assets and prepaid lease payment for lands	185,199	164,560	-	-
Auditors' remuneration and other professional services (Note b)	111,228	125,977	402	427
Professional services (Note c)	244,038	305,200	9	97
Personnel costs (Note d)	7,381,200	6,583,115	180	240
Audit Committee fees	2,100	1,500	600	600
Remuneration Committee Fees	200	200	50	50
Nomination Committee Fees	300	400	100	100
Donations	79,412	94,495	500	500
Royalty paid to Carlsberg A/S	101,210	76,750	-	-
Research and development costs	61,033	60,125	-	-
(a) Depreciation and amortization are included in the income statement under the following heading:				
Direct operating expenses	1,612,025	1,277,417	-	-
Administrative expenses	1,164,526	1,225,636	-	-
Distribution expenses	71,562	51,481	-	-
	2,848,113	2,554,534	-	-
(b) Auditors' Remuneration				
Fees payable to KPMG for the audit of annual accounts of Bukit Darah PLC	285	253	285	253
Fees payable to KPMG for the audit of subsidiaries of Bukit Darah PLC PLC	4,916	4,651	-	-
Fees payable to other Auditors for the audit of subsidiaries of Bukit Darah PLC	44,368	49,145	-	-
Total statutory audit fees	49,569	54,049	285	253
Non audit Services				
Advisory/compliance services - (Other Auditors)	6,375	2,464	-	-
Advisory services - (KPMG Sri Lanka)	-	-	-	
	6,375	2,464	-	-
Audit related services				
KPMG Sri Lanka	3,760	3,203	117	174
Other Auditors	51,524	66,261		
	55,284	69,464	117	174
	111,228	125,977	402	427

(Amounts expressed in Sri Lankan Rs. '000)

	Group		Company	
For the year ended 31st March	2014	2013	2014	2013
(c) Professional Services				
Legal services	48,699	58,168	9	97
Valuation services	37,394	21,752	-	-
Consultation fees	200	757	-	-
Plantation consultant services	134,534	136,756	-	-
Other services	23,211	87,787	-	-
	244,038	305,220	9	97
(d) Personnel Costs				
Salaries, fees, wages and other related expenses	6,791,045	6,192,115	180	240
Defined contribution plan expenses - EPF & ETF	303,218	187,325	-	-
Defined benefit plan expenses - Gratuity	286,937	203,715	-	-
	7,381,200	6,583,115	180	240
The above include:				
Directors fees	19,992	17,792	180	240
Directors' emoluments	924,205	1,051,559	-	-
	944,197	1,069,351	180	240

(e) The number of employees during the year were:

	Group			
	2014		2013	
	Year end	Average	Year end	Average
Employee by Industry				
Portfolio and Assets Management	18	17	16	15
Oil Palm plantations	15,041	14,778	14,514	14,218
Beverage	224	229	234	225
Real Estate	17	18	18	17
Leisure	240	258	276	265
Management services	40	40	39	36
	15,580	15,339	15,097	14,776
Employees by geographical location				
Sri Lanka	777	796	814	775
Malaysia	438	435	432	434
Indonesia	14,235	13,974	13,713	13,426
Singapore	-	-	-	-
India	130	134	138	141
	15,580	15,339	15,097	14,776

There were no employees at Bukit Darah PLC during the year (2013 - Nil).

(Amounts expressed in Sri Lankan Rs. '000)

15. INCOME TAX EXPENSES

For the year ended 31st March	Group 2014	Group 2013 (Restated)	Company 2014	Company 2013
(a) Statement of Income				
(i) Current tax				
Charge for the year	1,914,866	2,344,968	2,650	1,941
Under / (over) provision for previous years	12,797	(47,327)	-	(1,000)
Dividend tax	133,370	182,903	-	-
	2,061,033	2,480,544	2,650	941
(ii) Deferred Tax				
Origination/(Reversal) of temporary differences in the current year (Note 15 c and d)	1,198,837	1,502,122	-	-
	1,198,837	1,502,122	-	-
Total Income tax expense recognised in profit for the year	3,259,870	3,982,666	2,650	941
Income tax expenses may be analyzed as follows:				
Current Tax				
Sri Lanka	826,579	748,354	2,650	941
Overseas	1,234,454	1,732,190	-	-
	2,061,033	2,480,544	2,650	941
Deferred Tax				
Sri Lanka	461,000	210,617	-	-
Overseas	737,837	1,291,505	-	-
	1,198,837	1,502,122	-	-
Total				
Sri Lanka	1,287,579	958,971	2,650	941
Overseas	1,972,291	3,023,695	-	-
	3,259,870	3,982,666	2,650	941
(b) Deferred income tax related to other comprehensive income				
Re-measurement of gain/(loss) on defined benefit obligation	75,022	(114,696)	-	-

Income tax expenses exclude the Group share of tax expenses of the "equity -accounted investees" amounting to Rs 16,257/- and is included in the share of profit of net result of Joint Venture.

(Amounts expressed in Sri Lankan Rs. '000)

	Group			
	Statement of Income		Statement of Financial Position	
For the year ended / As at 31st March	2014	2013 (Restated)	2014	2013
(c) Deferred Tax Assets				
Capital allowances in excess of depreciation	-	981	-	-
Biological assets	(123,791)	(5,934)	153,966	39,684
Provision for ex-gratia	(137)	(4)	227	90
Provision for retirement benefit obligation	(60,343)	(37,061)	192,715	270,988
Unabsorbed tax losses carried forward	(463,467)	(484,287)	1,405,397	1,087,202
	(647,738)	(526,305)	1,752,305	1,397,964
Valuation allowance	-	-	(14,516)	(16,540)
	(647,738)	(526,305)	1,737,789	1,381,424
(d) Deferred Tax Liabilities				
Property plant & equipment	475,704	239,984	2,432,393	2,041,740
Investment in property	4,382	3,131	49,783	45,401
Biological assets	1,343,605	1,718,838	6,602,564	5,959,437
Intangible assets	17,063	62,612	231,297	74,912
Finance leases	5,821	3,862	8,854	3,706
	1,846,575	2,028,427	9,324,891	8,125,196
Net deferred tax liability	1,198,837	1,502,122	7,587,102	6,743,772

(e) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to off-set current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The off-set amounts are as follows:

	Sri Lanka		Malaysia		Indonesia		Singapore		Total	
As at 31st March	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Deferred tax assets:	1,847	10,405	2,329	2,329	1,696,621	1,332,768	36,992	35,922	1,737,789	1,381,424
Deferred tax liabilities	(1,377,359)	(925,142)	(902,140)	(830,776)	(7,045,392)	(6,369,278)	-	-	(9,324,891)	(8,125,196)
Net deferred tax liabilities	(1,375,512)	(914,737)	(899,811)	(828,447)	(5,348,771)	(5,036,510)	36,992	35,922	(7,587,102)	(6,743,772)

(f) The Net Movement of the Deferred Tax Liability is as follows - Group

	2014	2013 Re-stated
Balance at the beginning of the year	6,743,772	5,663,474
Adjustments	150,091	-
Provision for the year	1,198,837	1,502,122
Deferred tax Assets recognised in OCI for actuarial gain/(loss) on employee benefits	75,022	(114,696)
Impact of exchange rate changes on conversion	(580,620)	(307,128)
Balance at the end of the year	7,587,102	6,743,772

Deferred taxation has been computed on tax rates that have been enacted or substantively enacted at the end of each reporting period.

(Amounts expressed in Sri Lankan Rs. '000)

(g) Recognized deferred tax assets

The recognition of deferred tax assets by the Group are dependent upon future taxable income in excess of income arising from the reversal of existing taxable temporary differences. Deferred tax assets relating to tax losses carry forward have been re-assessed and the management believes that sufficient taxable profit will be available to allow the benefit to be utilized. Accordingly, the Group has recognized the deferred tax assets amounting to Rs. 1,737 Mn (2013: Rs.1,381 Mn) relating to the accumulated tax losses.

Unrecognized deferred tax assets

Group

Deferred tax assets have not been recognised for unused tax losses of Rs 2,883 Mn (2013: Rs 2,693 Mn) due to the uncertainty of sufficient taxable earnings being available.

Unrecognised temporary differences relating to investments in subsidiaries
At the end of the reporting period, no deferred tax liability (2013: nil) has been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries, as the Group has determined that the undistributed earnings of those subsidiaries will not be distributed in the foreseeable future.

Subsidiaries falling within the Sri Lankan tax exemption do not required to account for deferred tax as temporary differences do not exist during the tax exemption period. Accordingly deferred tax has not been provided for Agro Harapan Lestari (Private) Limited and AHL Business Solutions (Private) Limited.

Corporate tax rate in Sri Lanka

As provided for in LKAS 12 - "income taxes" deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Accordingly following income tax rates have been used;

Hotels Sector	12% (Previously 12%)
Beverage Sector	40% (Previously 40%)
Real Estate Sector	28% (Previously 10%)
Other Sectors	28% (Previously 28%)

	Group		Company	
For the year ended 31st March	2014	2013	2014	2013
(h) Reconciliation of the Accounting Profit with the Taxable Profit/(Loss)				
Profit before taxation	11,133,371	13,627,257	376,673	360,912
Aggregate tax disallowed expenses	3,605,583	4,208,899	27,544	29,310
Aggregate of deductions claims	(4,588,322)	(6,735,282)	-	(656)
Dividend Income	(3,786,532)	(3,424,381)	(389,814)	(378,899)
Exempt profits	(1,372,414)	(1,283,887)		
Adjustments on Change in Fair Value	(3,257,919)	(5,675,506)	-	-
Impairment of Business assets	-	55,940	-	-
Operating losses incurred during the year	1,626,253	4,868,642	-	-
Tax adjusted profits/(loss)	3,360,020	5,641,682	14,403	10,667

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Group 2014	Group 2013	Company 2014	Company 12013
Adjustments				
Adjustments due to the consolidation/joint ventures	3,662,272	3,398,251	-	-
Share of net results of associate companies	839	7,832	-	-
Tax losses utilized during the year	(215,697)	(91,445)	(5,041)	(3,734)
Taxable income of the Group/Company	6,807,434	8,956,320	9,362	6,933
Taxation on Profits				
Taxation at 12% (Note 15 j (iii) & (iv))	64,150	86,345	-	-
Taxation at 28% (Note 15 i (i))	304,958	228,550	2,650	1,941
Taxation at 40% (Note 15 j (v)	257,953	218,106	-	-
10% WHT on Intercompany Dividend	133,370	182,903	-	-
Off - Shore profits at varying rates (Note 15 i (ii))	1,234,454	1,732,190	-	-
Effect of different tax rates in other countries (Note 15 j (iii))	53,351	80,777	-	-
Economic Service Charge - write off / credit (Note 15 k)	-	-	-	-
Under / (over) provision for previous years	12,797	(48,327)	-	(1,000)
	2,061,033	2,480,544	2,650	941

Group tax expenses is based on the taxable profit of individual companies within the group. At present the tax laws of Sri Lanka does not provide for group taxation.

As at 31st March	Group 2014	Group 2013	Company 2014	Company 2013
(i) Analysis of Tax Losses				
Tax losses brought forward	9,748,547	5,072,173	7,322	9,191
Adjustment on losses brought forward	(358,955)	1,148,152	(55)	1,865
Tax losses incurred during the year	1,626,253	3,619,667	-	-
Utilization of tax losses during the year	(215,697)	(91,445)	(5,041)	(3,734)
Tax losses carried forward	10,800,148	9,748,547	2,226	7,322

Utilization of tax losses in the current year has resulted in tax saving of Rs 53mn (2013 - Rs. 17mn) for the Group.

In Sri Lanka the utilization of brought forward tax losses is restricted to 35% of Statutory Income. Unabsorbed tax losses can be carried forward indefinitely. Adjustment for taxation on the losses from overseas operations made in accordance with the provisions of the relevant statues in those countries.

(j) Taxation of Profits

(i) Current Tax in Sri Lanka

In accordance with provisions of the Inland Revenue Act No. 10 of 2006 and amendment thereto, the Company and all other companies of the Group other than those entities disclosed in Note (k) operating in Sri Lanka, are chargeable to income tax at the standard rate of 28% (2013 - 28%).

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

(ii) Current Tax on Overseas Operations

Provision for taxation on the overseas companies are made on the basis of the accounting profit for the year as adjusted for taxation purposes in accordance with the provisions of the relevant statutes in those countries. The corporate income tax rates applicable to group companies operating in the following countries are;

	2014	2013
Singapore	17%	17%
Indonesia	25%	25%
India	30.9%	30.9%
Malaysia	25%	25%

(k) Tax Exemptions and Concessions

(i) The Company's subsidiaries Agro Harapan Lestari (Pvt) Limited and AHL Business Solutions (Pvt) Limited are exempt from income tax, in terms of section 13 of the Inland Revenue Act No 10 of 2006 and amendments thereto respectively.

(ii) In terms of Section 13 (t) of the Inland Revenue Act, profits derived on the sale of shares on which share transaction levy has been paid is exempt from income tax.

(iii) The profits from plantation activities of the Sri Lankan incorporated companies having its plantation operations in Malaysia are liable to corporate income tax in Malaysia at 25% during the year ended 31 March 2014.

Further as provided for under Section 46 of the Inland Revenue Act, these profits are liable to tax in Sri Lanka at 12% however in terms of the double tax treaty agreement entered into between Sri Lanka and Malaysia, these Companies are entitle to claim credit in Sri Lanka for tax paid in Malaysia, when calculating the Company's tax liability on profits from Malaysian plantation activities in Sri Lanka.

(iv) In terms of Section 46 of the Inland Revenue Act, operational profits of hotels are subject to income tax at 12%.

(v) Profits or income from the manufacture and sale or import and sale of any liquor or tobacco products are chargable to income tax at the rate of 40%. Accordingly Lion Brewery Ceylon PLC operational profits are chargeable to income tax at 40%.

(vi) Exemption on interest income earned from foreign currency denominated accounts. Income / profits from offshore dividends and interest is exempt from income tax.

(vii) Premium Oils and Fats Sdn. Bhd. ("POF") incorporated in Malaysia has received "Operational Headquarters" ("OHQ") status from the Malaysian Industrial Development Authority. Accordingly, POF's income from qualifying services is exempt from corporate income tax until 2020.

(Amounts expressed in Sri Lankan Rs. '000)

(I) Economic Service Charge

Economic Service Charge paid by companies are available as income tax credit. In instances where recoverability is not possible due to the tax status, sums paid are written-off to the statement of comprehensive income.

16. EARNINGS PER ORDINARY SHARE

The Group's earnings per ordinary share of Rs. 31.67 (2013 - Rs. 41.51) and Company's earnings per ordinary share of Rs.3.23 (2013 - Rs. 3.10), are calculated by dividing the profit attributable to the ordinary shareholders of Bukit Darah PLC and after deducting the preference dividend by the weighted average number of ordinary shares in issue during the year.

The amounts used in calculating the earnings per share are as follows:

	Group		Company	
For the year ended 31st March	2014	2013	2014	2013
Amount used as the Numerator				
Profit for the year	7,873,501	9,644,591	374,023	359,971
Dividend on Preference Shares	(44,202)	(44,202)	(44,202)	(44,202)
Non controlling interest	(4,598,484)	(5,365,882)	-	-
Net Profit attributable to Ordinary Shareholders	3,230,815	4,234,507	329,821	315,769
Number of Ordinary Shares used as the Denominator				
Ordinary shares in issue (No's)	102,000,000	102,000,000	102,000,000	102,000,000
Earnings per Ordinary Share Rs.	31.67	41.51	3.23	3.10

17. DIVIDEND PER SHARE

	Total dividend		Dividend per ordinary share	
	2014	2013	2014	2013
On ordinary shares				
Dividend paid	306,000	306,000	3.00	3.00
	306,000	306,000	3.00	3.00
On Preference shares				
(a) Annual Dividend	145	145	0.08	0.08
First Interim	44,057	44,057	23.95	23.95
	44,202	44,202	24.03	24.03
Total Dividend paid	350,202	350,202		

(Amounts expressed in Sri Lankan Rs. '000)

18. PROPERTY, PLANT & EQUIPMENT - GROUP

(a) Year ended 31st March 2014

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery
	At valuation		
As at 1st April 2013	11,054,162	19,212,192	18,572,681
On Consolidation	-	116,100	522
Additions	32,266	1,702,697	200,017
Transfers to investment property and intangible assets	(315,293)	-	-
Transfers /Adjustments	747,761	905,410	2,131,761
Disposals/written - off	-	(101,140)	(10,446)
Exchange translation difference	(201,921)	(2,398,764)	(1,208,361)
As at 31st March 2014	11,316,975	19,436,495	19,686,174
Depreciation/Amortization			
As at 1st April 2013	188,356	1,811,019	4,683,038
On Consolidation	-	4,942	104
Charge for the year	98,821	642,547	1,222,941
Transfers /Adjustments	-	(360)	56,942
On disposals/written - off	-	(69,114)	(75,083)
Exchange translation difference	(8,394)	(240,737)	(410,867)
As at 31st March 2014	278,783	2,148,297	5,477,075
Net Book Value			
As at 31st March 2014	11,038,192	17,288,198	14,209,099

(b) Year ended 31st March 2013

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery
	At valuation		
As at 1st April 2012	10,137,162	14,154,292	16,536,749
Reclassification	-	-	(50)
As at 1st April 2012	10,137,162	14,154,292	16,536,699
On Consolidation		38,177	4,868
Revaluation	828,165	-	-
Additions	137,882	3,478,021	638,391
Adjustment	180,892	2,661,742	2,553,663
Disposals/written - off	(2,288)	(10,854)	(421,892)
Exchange translation difference	(227,651)	(1,109,186)	(739,048)
As at 31st March 2013	11,054,162	19,212,192	18,572,681
Depreciation/Amortization			
As at 1st April 2012	113,460	1,377,936	4,063,553
Reclassification			
As at 1st April 2012	113,460	1,377,936	4,063,553
On Consolidation	-	14	89
Charge for the year	77,718	545,949	1,067,385
Revaluation	4,859	-	-
Transfers /Adjustments	-		(17,471)
On disposals/written - off	-	(2,714)	(207,567)
Exchange translation difference	(7,681)	(110,166)	(222,951)
As at 31st March 2013	188,356	1,811,019	4,683,038
Net Book Value			
As at 31st March 2013	10,865,806	17,401,173	13,889,643

Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers	Capital Work - In Progress	Total as at 31st March 2014
		At cost			
1,854,273	1,372,505	783,355	2,121,930	6,134,135	61,105,233
-	4,341	-	-	-	120,963
200,859	88,468	69,166	247,588	8,250,863	10,791,924
-	-	-	-	(250,748)	(566,041)
31,513	174,006	52,394	59,763	(4,102,608)	-
(219,064)	(42,208)	(12,887)	(11,610)	(84,028)	(481,383)
(182,779)	(104,921)	(45,502)	-	(316,728)	(4,458,976)
1,684,802	1,492,191	846,526	2,417,671	9,630,886	66,511,720
1,096,074	670,142	537,978	1,076,349	-	10,062,956
-	1,736	-	-	-	6,782
241,046	190,013	143,869	322,225	-	2,861,462
(55,804)	(778)		-	-	-
(117,597)	(29,877)	(12,069)	(10,985)	-	(314,725)
(113,546)	(55,705)	(34,610)	-	-	(863,859)
1,050,173	775,531	635,168	1,387,589	-	11,752,616
634,629	716,660	211,358	1,030,082	9,630,886	54,759,104
		At cost			
2,123,377	1,168,069	667,151	1,656,992	4,136,006	50,579,798
-	-	-	(97,296)	-	(97,346)
2,123,377	1,168,069	667,151	1,559,696	4,136,006	50,482,452
-	555	13	-	-	43,613
-	-	-	-	-	828,165
371,624	259,043	158,401	604,691	7,612,658	13,260,711
(35,815)	72,439	7,436	-	(5,518,082)	(77,725)
(496,474)	(70,262)	(24,907)	(42,457)	-	(1,069,134)
(108,439)	(57,339)	(24,739)	-	(96,447)	(2,362,849)
1,854,273	1,372,505	783,355	2,121,930	6,134,135	61,105,233
1,276,229	535,902	444,518	855,224	-	8,666,822
			(72,184)		(72,184)
1,276,229	535,902	444,518	783,040		8,594,638
-	25	-			128
312,360	181,127	134,037	293,782	-	2,612,358
-	-	-	-	-	4,859
17,449	51	-	-	-	29
(444,968)	(19,159)	(22,426)	(473)	-	(697,307)
(64,996)	(27,804)	(18,151)	-	-	(451,749)
1,096,074	670,142	537,978	1,076,349	-	10,062,956
758,199	702,363	245,377	1,045,581	6,134,135	51,042,277

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

(c) Details of Group Freehold Lands Stated at Valuation are Indicated below:

Property	Method of Valuation	Effective Date of Valuation	Valuer	Land Extent (in Acres)	Carrying Value of Revalued Assets as at 31st March 2014 If Carried at Historical Cost	Carrying of Revalued Assets as at 31st March 2014
Pegasus Hotels of Ceylon PLC Wattala, Sri Lanka	Market Approach	31.03.2012	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	5.46	5,250	504,332
Ceylon Beverage Holdings PLC Nuwara Eliya, Sri Lanka	Market/income Approach	31.03.2011	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	3.75	141	112,464
Lion Brewery (Ceylon) PLC Biyagama, Sri Lanka	Market/income Approach	31.03.2011	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	23.60	338,259	945,504
Equity Two PLC Colombo 1, Sri Lanka	Market Approach	31.03.2013	Mr. S. Sivaskantha, F.I.V. (Sri Lanka) professional valuers	0.54	422,000	430,300
Selinsing PLC District of krian Malaysia	Existing use basis	31.03.2013	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	1,217.84	52,070	1,702,019
Indo-Malay PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2013	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	725.30	600	1,441,710
Good Hope PLC District of Kuala Langat Malaysia	Existing use basis	31.03.2013	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	780.68	58,000	1,389,648
Shalimar (Malay) PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2013	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	757.28	22,000	1,481,757
				3,514.45	898,320	8,007,734

(Amounts expressed in Sri Lankan Rs. '000)

(d) Carrying Value of Property, Plant & Equipment

As at 31st March	2014	2013
At cost	43,572,863	40,103,764
At valuation	11,038,192	10,865,806
On finance lease	148,049	72,707
	54,759,104	51,042,277

(e) Capital work - in - progress consists of

As at 31st March	2014	2013
Land Improvements	668,677	268,785
Buildings	170,394	592,500
Plant & Machinery	8,586,404	5,034,977
Others	205,412	237,873
	9,630,886	6,134,135

(f) Fully depreciated assets in use

Property,plant & equipment includes fully depreciated assets having a gross carrying amount of Rs 2,962 Mn (2013-Rs.2,822 Mn)

(g) Capitalization of borrowing costs

The Group's property, plant and equipment includes borrowing costs arising from bank term loans, borrowed specifically for their development. During the financial year, the borrowing costs capitalized as cost of property, plant & equipment amounted to approximately Rs 744.5 mn (2013:Rs. 410.82Mn).

(h) Revaluation of Freehold Land in Malaysia

Revaluation of the freehold land in Malaysian plantations is carried out annually in order to ensure that the book value reflects the market value and any significant variance from the carrying value will be recorded. The carrying value of the lands in Malaysian plantations as at March 2013 is based on valuation performed by Encik W. M. Malik, member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik and Kamaruzuman. The method is based on existing use using the Costs approach.

If the freehold land of the Malaysian companies had been measured using the cost model, the carrying amount would be Rs. 110.80 mn or equivalent to US$848,000 (2013 Rs. 110.9mn or equivalent to US$874,000).

(i) Property, plant and equipment of Indonesian plantations

Based on the reports issued by KJPP Rengganis, Hamid & Partners, the combined appraised value of property, plant and equipment of the Indonesian plantations as of 31st March 2014 was Rs. 31.47 bn or equivalent to US$ 240,842,000 (2013 Rs. 30.69 bn or equivalent to US$241,915,000). The above appraisal values have not been incorporated into the financial statements. Therefore, the property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

(Amounts expressed in Sri Lankan Rs. '000)

(j) Assets held under finance leases

The net book value of property, plant and equipment held under finance leases at the reporting date is Rs. 148.04 Mn or equivalent to US$ 1,133,000. (2013 - Rs 72.71 Mn or equivalent to US $ 573,000). Leased assets are pledged as security for the related finance lease liabilities.

(k) Assets pledged as security

Carrying value of certain property, plant and equipment of the Group amounting to approximately Rs. 30,815.6 Mn or equivalent to US$235,828,000 (2013 Rs. 16,079.9 Mn or equivalent to US$124,007,000) are pledged as security for bank borrowings (Note 33).

(l) Land acquisition - Company's subsidiary Pegasus Hotels of Ceylon (PRH)

During the financial year 2008/09, the government acquired approximately 1,605 perches of the land owned by the PRH for the purpose of constructing a fisheries harbour, out of which 353.89 perches of land was subject to Supreme Court order as explained below. The market value of the said net land extent (1,251 perches) as at the date of acquisition amounting to Rs. 187,800,000/- has been removed from the value of the freehold land classified under the property, plant, and equipment in the consolidated statement of financial position. The removal of the said land has been accounted for as a disposal of an asset in the financial statements.

The PRH filed a fundamental rights application in the Supreme Court regarding the acquisition of approximately 353.89 perches of land (described as mangrove) owned by the Company. As per the Supreme Court ruling dated 20th November 2008, the said land is to be returned to the PRH on the completion of the construction work of the fisheries harbour project.

On 15th March 2011, the Sri Lanka Navy has approached the Fisheries Harbour Corporation through which they have requested for a portion of 80 perches from and out of the said 353.89 perches in order to establish a coast guard unit. The PRH is expected to regain title to the balance 273.89 perches and make an additional claim for compensation for the said 80 perches, after referring the said request to the Supreme Court. Until determination of the aforesaid legal steps, the entire land extent in question will continue to be accounted in the Consolidated Statement of Financial Position under property, plant & equipment at the market value.

Accordingly the market value of the said land amounting to Rs. Rs 52,950,000/- (2013 - Rs. 52,950,000/-) as at the reporting date has not been removed from the Property, Plant and Equipment.

(Amounts expressed in Sri Lankan Rs. '000)

(m) Land compensation received

During the financial year 2002/03, a portion of freehold land of a subsidiary, Good Hope PLC was compulsorily acquired by the Government of Malaysia pursuant to the Land Acquisition Act of 1960.
In 2010, the amount accrued as compensation receivable from the Government of US$ 959,000 in respect of compulsory acquisition of a portion of the Malaysian operation freehold land was received by the company and included in sundry income.

The company, however, has objected to this offer and submitted a claim US$ 1,975,000. This claim has been decided in favor of the company and the company has been awarded a sum of US$ 77,000 with interest at 8% per annum from the date of possession. In respect of this, the Company received a sum of US$. 139,000 during the year 2012/13.

The company filed a further claim in Shash Alam High Court to recover outstanding late payment Charges. On 31st May 2013 the High Court awarded late payment charges of US$ 402,000 with interest 4% per annum on the amount awarded and expenses reimbursement of US$ 2,000.

The State filed an appeal against the decision of the High Court in the Court of Appeal. On hearing of the appeal proper, the Court of Appeal on 15 April 2014, dismissed the appeal filed by the State with costs of US$ 3,000 and affirmed the Order of the High Court.

The Defendants have a right of appeal against the decision of the Court of Appeal to the Federal Court of Malaysia within one month. However, to date, the Company has not been served with a notice of appeal. The land compensation is accounted for only upon receipt of the conformation from the government of Malaysia

19. BIOLOGICAL ASSETS

	Group	
As at 31st March	2014	2013
Carrying value at beginning of year	42,787,232	33,698,717
On Consolidation	63,352	95,748
Increase due to plantation development costs	6,335,944	6,667,477
Transfers	-	174,701
Gain arising from changes in fair value	3,182,098	4,881,099
Exchange translation difference	(5,551,523)	(2,730,510)
Carrying value at the end of the year	46,817,103	42,787,232

(a) Analysis of oil palm production

"During the financial year, the group harvested 958,815 MT (2013 - 1,031,788 MT) of FFB, which had a fair value less estimated point-of-sale costs of approximately Rs.20,119 Mn or equivalent to US$ 154,634,000 (2013 Rs. 21,251 Mn or equivalent to US$ 167,472,000).

The fair value of FFB was determined with reference to their average market prices during the year.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

(b) Analysis of biological assets

At the end of the financial year, the Group's total planted area and related value of mature and immature plantation are as follows:

Area	Indonesian 2014 Hectares	Plantation 2013 Hectares	Malaysian 2014 Hectares	Plantation 2013 Hectares	Total as at 2014 Hectares	Total as at 2013 Hectares
Planted Area:						
- Mature	49,232	46,772	1,378	1,374	50,610	48,146
- Immature	16,021	15,818	2	6	16,023	15,824
	65,253	62,590	1,380	1,380	66,633	63,970

Value	Indonesian 31st March 2014	Plantation 31st March 2013	Malaysian 31st March 2014	Plantation 31st March 2013	Total as at 31st March 2014	Total as at 31st March 2013
Planted Area:						
- Mature	36,447,393	33,712,523	1,019,226	963,012	37,466,619	34,675,535
- Immature	9,350,484	8,107,100	-	4,597	9,350,484	8,111,697
	45,797,877	41,819,623	1,019,226	967,609	46,817,103	42,787,232

(c) The carrying value of biological assets of the Group pledged/undertaken as security for the bank borrowings amounted to approximately Rs. 39,106 Mn or equivalent to US$ 299,278,000 (2013 Rs. 30,042 Mn or equivalent to US$ 236,753,000).

(d) Borrowing cost capitalised to biological assets for the year ended 31st March 2014 amounted to Rs 949.28 Mn or equivalent to US $ 7,296,000. (2013 - Rs. 809.17 Mn or equivalent US $ 6,377,000/-)

(e) The fair value of biological assets was determined by KJPP Rengganis, Hamid & Partners an Indonesian independent valuer. The valuations of the biological assets were performed in accordance with International Valuation Standards and Indonesian valuation standards (Standar Penilaian Indonesia /SPI) using discounted cash flows of the underlying biological assets. The expected cash flows from the whole life cycle of the oil palm plantations are determined using the market price and the estimated yield of FFB, net of maintenance and harvesting costs and any costs required to bring the oil palm plantations to maturity. The estimated yield of the oil palm plantations is dependent on the age of the oil palm trees, the location of the plantations, soil type and infrastructure. The market price of the FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel. Point-of-sale costs include all costs that would be necessary to sell the assets.

(Amounts expressed in Sri Lankan Rs. '000)

The following table shows the key unobservable inputs used in valuation models.

Key unobservable inputs	Inter relationship between key unobservable inputs and fair value measurement
Oil palm trees have an average life of 22 (2013: 22) years, with the first three years as immature and remaining years as mature	The estimated fair value increases as the estimated average life increases.
No new planting or replanting activities are assumed	The estimated fair value decreases with replanting activities.
Discount rate per annum of Indonesian plantation 13.07% (2013- 11.92%) and Malaysian Plantation 8.27% (2013-8.25%)	The estimated fair value increases as the estimated discount rate per annum decreases.
FFB selling price Indonesian Plantation of US$ 127 to US$133 (2013: US$122) per metric tonne FFB selling price Malaysian Plantation of US$ 165 (2013: US$138) per metric tonne	The estimated fair value increases as the estimated selling price of FFB increases.

(f) The Group is exposed to the following risks relating to its Palm Oil plantation.

(a) Regulatory and environmental risks

The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environment and other laws.

(b) Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume to market supply and demand. Management performs regular industry trend analyses for projected harvested volumes and pricing.

(c) Climate and Other risks

The Group Palm Oil plantations are exposed to the risk of damage from climatic changes, disease, and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular plants inspections and industry pest and disease surveys. The Group is also insured against natural disasters such as floods and hurricanes.

(Amounts expressed in Sri Lankan Rs. '000)

20. PREPAID LEASE PAYMENT FOR LANDS

	Group	
As at 31st March	2014	2013
Cost/Valuation		
Balance as at the beginning of the year	4,497,277	3,669,908
On Consolidation	210,903	261,808
Additions	478,852	804,281
Transfer	(56,631)	40,536
Exchange translation difference	(564,400)	(279,256)
Balance as at end of the year	4,566,001	4,497,277
Accumulated amortization		
Balance as at the beginning of the year	371,835	247,509
On Consolidation	3,440	3,387
Amortization	148,830	141,658
Transfer	-	-
Exchange translation difference	(53,110)	(20,719)
Balance as at end of the year	470,995	371,835
Net Balance as at the end of the year	4,095,006	4,125,442

(a) Details of leasehold property

The Company' subsidiary PT Agro Indomas's land rights in the form of "Hak Guna Usaha" (HGU) will expire in the following years.

Company	Land Extent (in Ha)	Year of Expiration	Location
PT Agro Indomas	12,104	2028	Kotawaringin Timur
	3,760	2033	Kotawaringin Timur
	15,864		

Land rights represent amounts paid on obtaining land rights certificate under Hak Guna Usaha (HGU or right to cultivate) and expenses incurred for obtaining operating licenses. The land rights have an average remaining amortisation period of 27-29 years.(2013: 27-29 years)

Management believes that the existing land rights will be renewed by the Government of Indonesia upon expiration, since under the laws of Indonesia the land rights can be renewed upon the request of the HGU holder (subject to the approval of Government of Indonesia).

(Amounts expressed in Sri Lankan Rs. '000)

(b) Assets pledged as security

The carrying value of land rights of the Group pledged as security for the bank borrowings amounted to approximately Rs. 633.48 Mn or equivalent to US$ 4,848,000. (31 March 2013: Nil).

(c) Analysis of prepaid lease rights

	Group	
As at 31st March	2014	2013
Prepaid lease rights to be amortised;		
Not later than one year	150,009	153,410
Later than one year but not later than 5 years	600,298	602,728
Later than five years	3,344,699	3,369,304
	4,095,006	4,125,442

21. INVESTMENT PROPERTY

Group

	Freehold Land	Freehold Building	Other Equipment	As at 31st March 2014	As at 31st March 2013
(a) Investment Properties of the Group comprise of:					
Equity One PLC.	1,006,250	188,000	32,097	1,226,347	1,692,766
Equity Two PLC.	315,293	193,259	81,017	589,569	-
Equity Three (Private) Limited	205,000	66,521	6,213	277,734	277,188
	1,526,543	447,780	119,327	2,093,650	1,969,954

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Freehold Land 2014	Freehold Land 2013	Freehold Building 2014	Freehold Building 2013
(b) Movements of Investment Properties				
Balance as at the beginning of the year	1,681,250	1,606,805	252,250	255,674
Additions during the year	-	-	329	613
Transfer from Property plant equipments	315,293		111,013	-
Disposal during the year	(470,000)	-	-	-
Gain on fair value adjustment (note c)	-	74,445	84,188	(4,037)
	1,526,543	1,681,250	447,780	252,250
(c) Change in fair value of investment properties				
Equity One PLC.	-	54,445	-	(4,537)
Equity Two PLC.	-		84,188	-
Equity Three (Private) Limited	-	20,000	-	500
	-	74,445	84,188	(4,037)

(d) Valuation of investment property

During the year, Director's valuation was carried out for the investment properties of the Group except for the investment properties of Equity Two PLC. The last professional valuation on Investment properties of the group was performed as at 31st March 2013 except for the properties owned by the subsidiary Company Equity Two PLC, whereas the Professional valuation for investment properties of Equity Two PLC was performed as at 31st March 2014 to establish the value after the renovation and refurbishment of the new building. The valuations are performed by Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company, Incorporated valuers, an independent professional valuer on the basis of Market Approach.

(e) Properties pledged as security

There were no restrictions on title of investment properties as at the reporting date.

(f) Details of Investment Properties - Group

Company	Location	Description	Method of valuation
Equity One PLC	Dharmapala Mawatha. Colombo 07.	Office Space	Market approach
Equity One PLC	Vauxhall Lane, Colombo 02	Warehouse Space	Market approach
Equity One PLC	No 07, De Soysa Mawtha, Mt. Lavinia (disposed during the year)	Land	Market approach
Equity Two PLC	No 55 Janadhpathi Mawatha Colombo 1-	Office Space	Market approach
Equity Three (Private) Limited	George R. De Silva Mawatha., Colombo 13	Office Space	Market approach

No items of investment properties of the Group were pledged as security for liabilities as at the reporting date.

	Other equipment 2014	Other equipment 2013	Capital work in progress 2014	Capital work in progress 2013	Total 2014	Total 2013
	36,454	44,383	-		1,969,954	1,906,862
	87,851	94	-		88,180	707
	-				426,306	-
	-	(24)	-	-	(470,000)	(24)
	(4,978)	(7,999)	-	-	79,209	62,409
	119,327	36,454	-	-	2,093,650	1,969,954
	-	(6,335)	-	-	-	43,573
	(4,978)	-		-	79,209	-
	-	(1,664)	-	-	-	18,836
	(4,978)	(7,999)	-	-	79,209	62,409

(g) The Group recognized land and building owned by the subsidiary company Equity Two PLC though held to earn rental income and capital appreciation (and classified as investment property by the said subsidiary) as Property Plant and Equipment as opposed to investment property since company's subsidiary Carsons Management Services (Private) Limited occupies a substantial portion of the said property.

(h) The direct operating expenses incurred on investment properties are as follows:

For the year ended 31st March	2014	2013
Repair maintenance and utility insurance cost	21,733	13,931
Staff costs and other expenses	42,987	42,205
	64,720	56,136

	Net rentable area (In Sq.ft.)	Extent (Hectares)	Historical Cost	Fair Value 31st March 2014	Fair Value 31st March 2013
	44,647	0.238	108,993	733,347	729,766
	30,723	0.524	226,917	493,000	493,000
	-	2.30	624,000	-	470,000
	44,000	-	-	589,569	-
	31,237	0.208	69,256	277,734	277,188
				2,093,650	1,969,954

(Amounts expressed in Sri Lankan Rs. '000)

22. INTANGIBLE ASSETS - GROUP

	Goodwill		Computer Software		Excise License
As at 31st March	2014	2013	2014	2013	2014
Cost/Valuation					
Balance as at the beginning of the year	1,734,958	1,730,515	926,697	722,642	55,954
On Consolidation	1,143	4,443	-	-	-
Additions	-	-	92,604	167,231	-
Written-off-Software Development Cost	-		(14,200)	(3,950)	-
Transfer / Adjustment	-	-	260,860	79,710	4,841
Exchange translation difference	-	-	(76,564)	(38,936)	-
Balance as at end of the year	1,736,101	1,734,958	1,189,397	926,697	60,795
Accumulated Amortization					
Balance as at the beginning of the year	-	-	221,306	161,601	15,263
Amortization	-	-	74,309	64,870	5,078
Exchange translation difference	-	-	(12,782)	(5,165)	-
Balance as at end of the year	-	-	282,833	221,306	20,341
Net Balance as at the end of the year	1,736,101	1,734,958	906,564	705,391	40,454

(a) Goodwill

Goodwill is tested for impairment annually and when circumstances indicate, the carrying value may be impaired. Goodwill arising from business combinations has been allocated to an individual cash generating unit ("CGU") for impairment testing. The carrying amounts of goodwill allocated to each CGU are as follows:

As at 31st March	2014	2013
Portfolio and asset management sector	84,791	84,791
Beverage sector	113,600	113,600
Real estate sector	12,799	12,799
Oil palm plantation sector	79,854	78,711
Oil & Fats sector	1,445,057	1,445,057
	1,736,101	1,734,958

Excise License	Patent/Trademark		Customer relationship		Total	
2013	2014	2013	2014	2013	2014	2013
46,080	43,766	43,954	565,882	565,882	3,327,257	3,109,073
					1,143	4,443
		733	-		92,604	167,964
-		-		-	(14,200)	(3,950)
9,874	-	-	-	-	265,701	89,584
-	(971)	(921)	-		(77,535)	(39,857)
55,954	42,795	43,766	565,882	565,882	3,594,970	3,327,257
9,833	-	-	101,314	43,420	337,883	214,854
5,430	-	-	54,304	57,894	133,691	128,194
-	-	-	-		(12,782)	(5,165)
15,263	-	-	155,618	101,314	458,792	337,883
40,691	42,795	43,766	410,264	464,568	3,136,178	2,989,374

Oil palm plantation sector

The recoverable amounts of the CGUs have been determined based on Value In Use ("VIU") using cash flow projections from financial budgets approved by management. For the oil palm plantation segment, management has used cash flow projections based on the age of the plantations. These assumptions were used for the analysis of each CGU's within business segment.

The pre-tax discount rates applied to the cash flow projections and forecasted terminal growth rates used to extrapolate cash flow projections beyond the forecasted period are as follows:

	Oil palm Plantation sector	
	2014	2013
Pre-tax discount rates	11.5% - 13.5%	11.5% - 13.5%
Terminal Growth Rate	3%	3%

The calculations for value in use for the CGUs are most sensitive to the following assumptions:

Pre-tax discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected rate of return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowing the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Terminal growth rate – The forecasted terminal growth rate used does not exceed the long-term average growth rate of the industry and country in which the entities operate.

Project CPO selling price – The projected selling price of CPO is based on the consensus of reputable independent forecasting service firms for the short-term period and the World Bank forecast for the remaining projection period.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

Oils and fats sector

The recoverable amounts of the CGUs have been determined based on Value In Use ("VIU") calculations using cash flow projections from financial budgets approved by management covering a five-year period. These assumptions were used for the analysis of each CGU within the business segment.

The pre-tax discount rates applied to the cash flow projections and forecasted terminal growth rates used to extrapolate cash flow projections beyond the five-year period as follows:

	Oil & Fats sector	
For the year ended 31st March	2014	2013
Pre-tax discount rates	8% - 10%	8% - 10%
Terminal Growth Rate	3%	3%

The calculations for value in use for the CGUs are most sensitive to the following assumptions:

Pre-tax discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected rate of return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowing the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Terminal growth rate – The forecasted terminal growth rate used does not exceed the long-term average growth rate of the industry and country in which the entities operate

(b) Computer Software

Software with a finite life is amortized over a period of expected economic benefit.

Software development costs and licenses represent the costs incurred in the development of the group Enterprise Resource Planning ("ERP") systems and its related licenses that are used to generate financial and management information and have an average remaining amortization period of 7 years (2013: 7 years).

All research costs and development costs not eligible for capitalization amounting to Rs 48.40 Mn (2013: Rs 46.42 Mn) have been expensed and are recognized in the profit or loss.

During the financial year, Rs 16.0 Mn (2013 -Rs -2.7 Mn) of software and development costs was written off, in the oil palm plantation segment and recoginised in profit or loss.

(Amounts expressed in Sri Lankan Rs. '000)

(c) Customer relationships

Customer relationships acquired as part of business combination were initially recognized at their fair value at the date of acquisition and are subsequently carried at cost less accumulated amortization. Customer relationships are amortized over 10 years and tested for impairment annually. The average remaining amortization period as at 31st March 2014 is 7 years (2013:8 years)

23. INVESTMENTS IN SUBSIDIARIES

	Group			Company		
As at 31st March	No. of Shares 2014	Cost 2014	Cost 2013	No. of Shares 2014	Cost 2014	Cost 2013
(i) Quoted Investments						
Investments in Ordinary Shares						
Carson Cumberbatch PLC	89,706,431	579,363	579,363	89,706,431	579,363	579,363
Equity One PLC	38,818,252	1,019,862	1,019,862	-	-	-
Equity Two PLC	27,533,370	389,166	389,166	-	-	-
Pegasus Hotels of Ceylon PLC	28,290,959	422,983	422,983	-	-	-
Selinsing PLC	6,664,915	705,360	705,301	-	-	-
Good Hope PLC	6,491,894	492,096	473,866	-	-	-
Indo Malay PLC	6,329,561	1,330,098	1,326,140	-	-	-
Shalimar (Malay) PLC	6,711,882	346,668	334,729	-	-	-
Ceylon Guardian Investment Trust PLC	55,131,341	594,989	594,989	-	-	-
Ceylon Investment PLC	63,407,519	402,892	402,892	-	-	-
Guardian Capital Partners PLC	22,275,025	446,267	446,267	-	-	-
Ceylon Beverage Holdings PLC	15,753,292	662,771	649,439	-	-	-
Lion Brewery (Ceylon) PLC	48,307,599	1,985,563	1,943,237	1,300,000	112,292	112,292
Total investment in Subsidiaries - quoted		9,378,078	9,288,234		691,655	691,655
(ii) Unquoted Investment						
Leechman and Company (Private) Limited	5,160,000	849	849	-	-	-
Rubber Investment Trust Limited	9,299,708	612	612	-	-	-
Mylands Investments Limited	-	-	5,340	-	-	-
Weniwella Investments Limited	-	-	4,501	-	-	-
Guardian Fund Management Limited	2,848,678	55,682	55,682	-	-	-
Riverside Resorts (Pvt) Ltd	1,300,000	13,000	-	-	-	-
Goodhope Asia Holdings Ltd	1,401,523,046	12,034,423	12,034,423	560,609,280	6,447,409	6,447,409
Shalimar Developments Sdn. Bhd.	3,942,169	2,665,105	2,665,105	-	-	-
PT Agro Indomas	41,087	1,713,107	1,713,107	-	-	-
PT Agro Bukit	23,591,472	4,785,841	4,785,841	-	-	-
PT Karya Makmur Sejahtera	114,000	1,127,371	1,127,371	-	-	-
PT Agro Wana Lestari	2,375,000	226,523	226,523	-	-	-
PT Rim Capital	8,792,470	1,293,076	1,293,076	-	-	-
PT Nabire Baru	11,875	148,983	148,983	-	-	-
PT Agrajaya Baktitama	23,750	292,136	292,136	-	-	-
PT Batus Mas Sejahtera	47,500	284,638	284,638	-	-	-
PT Sawit Makmur Sejahtera	47,500	293,587	293,587	-	-	-
PT Sumber Hasil Prima	23,750	331,125	331,125	-	-	-
PT Sinar Sawit Andalan	23,750	325,596	325,596	-	-	-
PT Siriwana Adi Pereksa	11,875	136,839	-			
PT Agro Asia Pacific	1,500	15,478	15,478	-	-	-

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Group No. of Shares 2014	Group Cost 2014	Group Cost 2013	Company No. of Shares 2014	Company Cost 2014	Company Cost 2013
Agro Asia Pacific -Singapore	249,999	20,296	20,296	-	-	-
PT Agro Harapan Lestari	250,000	119,152	119,152	-	-	-
Agro Harapan Lestari Sdn. Bhd.	280,000	75,860	75,860	-	-	-
Agro Harapan Lestari (Private) Limited	2,689,901	26,865	26,865	-	-	-
AHL Business Solution (Private) Limited	20,750,000	207,500	207,500	-	-	-
Premium Nutrients Pvt Ltd	76,337,300	7,917,699	7,917,699	-	-	-
Premium Oils & Fats Sdn Bhd	1,000,000	36,504	36,504	-	-	-
Premium Vegitable Oils Sdn Bhd	54,862,500	3,568,789	3,568,789	-	-	-
Premium Fats Sdn Bhd	25,000,002	91,648	91,648	-	-	-
Arani Agro Oil Industries Private Ltd	134,557,227	3,191,600	3,191,600	-	-	-
Carsons Management Services (Private) Limited	32,334,138	323,341	323,341	-	-	-
Carsons Airline Services (Private) Limited	1,899,999	18.999	18.999	-	-	-
Equity Hotels Limited	685,469	7,296	7,296	-	-	-
Equity Three (Private) Limited	5,400,000	54,000	54,000	-	-	-
Equity Seven Limited	-	-	43,148	-	-	
Pubs 'N Places (Private) Limited	25,000,002	250,000	12,000	-	-	-
Retail Spaces (Private) Limited	1	-	-	-		
Luxury Brands (Private) Limited	1	-	-			
		41,653,521	41,318,671		6,447,409	6,447,409
(iii) Investments in Unquoted Deferred Shares						
Ceylon Guardian Investment Trust PLC	5,739,770	115,384	115,384	-	-	-
Total Investment in Subsidiaries - Unquoted		41,768,905	41,434,055	-	6,447,409	6,447,409
Total Investment in Subsidiaries		51,146,983	50,722,289		7,139,064	7,139,064

Acquisition and formation of subsidiaries

(a) Acquisition of PT Sariwana Adi Perkasa

On 11 September 2013, the Group acquired 95% equity interest in PT Sariwana Adi Perkasa ("PTSAP") in Indonesia, for a cash consideration of US$1,037,000. The Group has acquired PTSAP as part of its plantation business expansion plan.

Goodwill of US$15,000 comprises the value of expanding the Group's operation in Kalimantan-based plantations located in West Kalimantan and to increase the Group total planted areas and land banks. The goodwill recognised is not expected to be deductible for income tax purposes.

From the date of acquisition to 31st March 2014, PTSAP's contribution to the Group's revenue and profit was not significant as it is an immature palm oil plantation under development.

(Amounts expressed in Sri Lankan Rs. '000)

The following represents the fair values of the identifiable assets and liabilities of subsidiary acquired as at the date of acquisition:

	2014
ASSETS	
Property, Plant & Equipment	76,562
Biological Assets	63,352
Prepaid Lease Assets	207,463
Trade and other receivables	20,284
Cash and cash equivalents	51
Total assets	367,712
LIABILITIES	
Trade and other payables	225,696
Total Liabilities	225,696
Net identifiable assets	142,016
Less: Non-controlling interest	(61,185)
Identifiable net assets acquired	80,831
Add: Positive goodwill arising from the acquisition	1,143
Consideration for acquisition of non -controlling interest	54,865
Total consideration on acquisition	136,839

(b) The effects of acquisition on cash flow is as follows:

Consideration settled in cash	136,839
Less: Cash and cash equivalents of subsidiary acquired	(51)
Acquisition of subsidiary net of cash	136,788

(c) Acquisition of non-controlling interests

During the year, the Group acquired additional interest in the following subsidiaries from the non controlling shareholders:

Acquirer	Acquiree	Additional interest %	Proportion of ownership interest after additional acquisition % (Group gross interest)	Consideration paid
Goodhope Asia Holdings Ltd	Selinsing PLC	0.01	96.04	59
Goodhope Asia Holdings Ltd	Good Hope PLC	0.25	94.48	18,230
Goodhope Asia Holdings Ltd	Indo - Malay PLC	0.03	90.44	3,958
Goodhope Asia Holdings Ltd	Shalimar (Malay) PLC	0.15	96.71	11,939
Carson Cumberbatch PLC	Ceylon Brewery PLC	0.13	75.06	13,332
Carson Cumberbatch PLC	Lion Brewery (Ceylon) PLC	0.15	60.38	42,326

(Amounts expressed in Sri Lankan Rs. '000)

(a) Acquisition and formation of subsidiaries - For the year ended 31 March 2013

Formation of Luxury Brands (Private) Limited (LBL)

During the year company subsidiary Ceylon Beverage Holding PLC (CBHPLC) formed Luxury Brands (Private) Limited company incorporated in Sri Lanka as importer & disrtributor of Diageo and Moet Hennesy portfolios of brands. The CBHPLC holds 100% equity interest in LBL.

Formation of Retail Spaces (Private) Limited (RSL)

In FY 2013 Ceylon Beverage Holding PLC formed Retail Spaces (Private) Limited a company incorporated in Sri Lanka for managing retail outlets. The Group holds 100% equity interest in RSL.

Acquisition of PT Sinar Sawit Andalan

On 29th May 2012, the Group acquired 95% equity interest in PT Sinar Sawit Andalan ("PTSSA") in Indonesia, for a cash consideration of Rs 325.7 Mn (US$2,520,000). The Group has acquired PTSSA as part of its plantation business expansion plan.

Goodwill of Rs 3.9 Mn comprises the value of expanding the Group's operation in Kalimantan-based plantations located in West Kalimantan and to increase the Group total planted areas and land banks.

From the date of acquisition to 31st March 2013, PTSSA's contribution to the Group's revenue and profit was not significant as it is an immature palm oil plantation under development.

The following represents the fair values of the identifiable assets and liabilities of subsidiaries acquired as at the date of acquisition:

	2013
ASSETS	
Property, Plant & Equipment	43,485
Biological Assets	95,748
Prepaid Lease Assets	258,421
Inventories	26,462
Trade and other receivables	69,039
Cash and cash equivalents	13,576
Total assets	506,731
LIABILITIES	
Trade and other payables	171,837
Total Liabilities	171,837
Net identifiable assets	334,894
Less: Non-controlling interest	(144,272)
Identifiable net assets acquired	190,622
Add: Positive goodwill arising from acquisition	4,443
Consideration for acquisition of non -controlling interest	130,531
Total consideration for acquisition	325,596

(b) The effects of acquisition on cash flow is as follows:

Consideration settled in cash	325,596
Less: Cash and cash equivalents of subsidiaries acquired	(13,576)
Acquisition of subsidiaries net of cash	312,020

(Amounts expressed in Sri Lankan Rs. '000)

(c) Acquisition of non-controlling interests

During the year, the Group acquired additional interest in the following subsidiaries from the non controlling shareholders:

Acquirer	Acquiree	Additional interest %	Proportion of ownership interest after additional acquisition %	Consideration paid
Goodhope Asia Holdings Ltd	Selinsing PLC	0.36	96.03	28,044
Goodhope Asia Holdings Ltd	Good Hope PLC	0.02	94.23	1,671
Goodhope Asia Holdings Ltd	Indo - Malay PLC	0.54	90.41	53,180
Goodhope Asia Holdings Ltd	Shalimar (Malay) PLC	0.06	96.56	3,817

24. INVESTMENTS IN JOINT VENTURE

(a) The following is the list of Joint Venture of the Group

Name of Joint venture	Principal activities	Proportion of ownership interest %	
		Gross	effective
Guardian Acuity Asset Management Limited	Unit trust Management	50	15.83

(b) Movements of Investments in Joint venture Company

	Group	
As at 31st March	2014	2013
Shares at cost	35,000	20,000
Investments in Joint venture	-	15,000
Share of post -acquisition reserve	(9,207)	(9,585)
Balance as at the end of the year	25,793	25,415

(c) Measurement of Joint venture Company - Group -

			Group		
As at 31st March	No. of shares 2014	Carrying Value 2014	Market Valuation 2014	Carrying Value 2013	Market Valuation 2013
(i) Joint venture Company					
On Unquoted Shares					
Guardian Acuity Asset Management Limited	2,000,000	35,000	35,000	35,000	35,000
		35,000	35,000	35,000	35,000

(Amounts expressed in Sri Lankan Rs. '000)

	Group				
	No. of shares	Carrying Value	Market Valuation	Carrying Value	Market Valuation
As at 31st March	2014	2014	2014	2013	2013
Group Share of Joint venture Company's Net Assets					
Guardian Acquity Asset Management Limited		(9,207)	-	(9,585)	-
Investments in Joint Venture Company (Equity Basis)	-	25,793	35,000	25,415	35,000

(d) The summarized financial information of the equity accounted investee, adjusted for the proportion of ownership interest held by the Group is as follows:

(i) Share of Net Results of Joint Venture

	Joint Venture Company				Group's Share of	
	Revenue		Profit/(Loss) After Tax		Profit/(Loss) After Tax	
For the year ended 31st March	2014	2013	2014	2013	2014	2013
Joint Venture Company						
Guardian Acuity Assets Management Ltd	13,007	2,818	(1,678)	(15,664)	(839)	(7,832)
	13,007	2,818	(1,678)	(15,664)	(839)	(7,832)

As at 31st March	2014	2013
Non - Current assets	22,424	20,836
Current assets	4,557	5,518
Total assets	26,981	26,354
Non-Current Liabilities	162	77
Current liabilities	1,026	862
Total liabilities	1,188	939
Net assets	25,793	25,415

25. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(a) Summary of Available-for-Sale Financial Assets - Group

As at 31st March	2014	2013
Investment in equity securities		
Quoted	7,701,852	7,167,421
Unquoted	55,452	54,737
Private Equity (unlisted)	40,005	441,148
	7,797,309	7,663,306
Debentures	5	5
Unit Trusts	413,206	401,014
	8,210,520	8,064,325

(Amounts expressed in Sri Lankan Rs. '000)

(b) Measurement of Available for sale financial Assets - Group

As at 31st March	No of Shares 2014	Cost 2014	Market Valuation 2014	No. of Shares 2013	Cost 2013	Market Valuation 2013
(ii.a) Quoted Investments						
Bank & Finance						
HNB Assurance PLC	2,000,000	106,360	130,600	2,000,000	106,360	95,600
Commercial Bank of Ceylon PLC	10,000,000	703,934	1,230,000	13,025,350	912,988	1,471,863
Central Finance PLC	1,700,548	301,041	307,799	1,327,575	231,809	238,964
People's Leasing Company PLC	13,745,240	235,691	196,557	10,595,691	190,722	138,804
Sampath Bank PLC	2,993,345	692,193	545,088	1,449,593	427,752	326,013
Nations Trust Bank PLC	5,005,718	306,527	324,871	-	-	-
		2,345,746	2,734,915		1,869,631	2,271,244
Beverage, Food & Tobacco						
Cargills (Ceylon) PLC	4,617,300	137,035	630,261	4,650,300	138,015	705,916
		137,035	630,261		138,015	705,916
Construction & Engineering						
Access Engineering PLC	8,000,000	200,280	180,000	8,000,000	200,280	157,600
Diversified Holdings						
Aitken Spence PLC	3,348,000	336,851	327,769	-	-	-
Expolanka Holdings PLC	37,942,150	252,806	330,097	44,845,150	345,618	304,947
John Keells Holdings PLC	10,489,710	536,232	2,381,164	12,851,170	406,063	3,174,239
JKH Warrants 2015	586,306	-	40,221	-	-	-
JKH Warrants 2016	586,306	-	42,155	-	-	-
Hemas Holdings PLC	1,834,420	60,686	69,158	-	-	-
		1,186,575	3,190,564		751,681	3,479,186
Health care						
Asiri Hospital PLC	-	-	-	14,890,872	151,391	169,756
Ceylon Hospitals PLC (Durdans)	1,331,749	93,285	153,151	1,307,509	90,711	130,751
		93,285	153,151		242,102	300,507
Hotels & Travels						
Aitken Spence Hotels Holdings PLC	3,296,388	216,926	230,747	3,199,908	210,468	236,793
		216,926	230,747		210,468	236,793
Manufacturing						
Textured Jersey Lanka PLC	-	-	-	1,633,844	24,630	16,175
		-	-		24,630	16,175
Motors						
Diesel and Motor Engineering PLC	140,429	70,187	70,917	-	-	-
		70,187	70,917			
Telecommunication						
Dialog Axiata PLC	56,810,817	525,551	511,297	-	-	-
		525,551	511,297		-	-
Total Investment in equity securities -Quoted		4,775,585	7,701,852		3,436,807	7,167,421

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	No of Shares 2014	Cost 2014	Market Valuation 2014	No. of Shares 2013	Cost 2013	Market Valuation 2013
(ii.b) Unquoted Investments						
Lanka Communication Services Limited	1,428,496	15,714	15,714	1,428,496	15,714	15,714
Asia Pacific Golf Course Limited	10	-	-	10	-	
Produce Transport Limited	1	-	-	1	-	-
Serendib Agro Products Limited	2,500	2	3	2,500	2	3
ACW Insurance (Private) Limited	449,999	24,400	24,400	449,999	1,869	24,400
Riverside Resorts (Private) Limited	1,300,000	-	-	1,300,000	13,000	13,000
Amethyst Leisure Limited	7,100,000	12,425	12,425	-	-	-
DFCC Vardhana Bank	165,759	2,890	2,890	128,925	1,600	1,600
Equity Investment Lanka (Private) Limited	11,250	2	2	11,250	2	2
Kandy Private Hospitals Limited	1,200	18	18	1,200	18	18
Total Investment in equity securities -Unquoted		55,451	55,452		32,205	54,737
Private Equity						
Durdans Medical & Surgical Hospital (Private) Ltd.	-	-	-	22,285,715	280,797	401,143
Hsenid Business Solutions (Pvt) Ltd.	163,419	40,005	40,005	163,419	40,005	40,005
Total investment in Private Equity		40,005	40,005		320,802	441,148
Debentures						
Tangerine Beach Hotels Limited - Zero Coupon	56	1	1	56	1	1
Ocean View Limited - 6%	360	4	4	360	4	4
Total investments in debentures		5	5		5	5
Unit Trusts						
The Sri Lanka Fund	2,531,646	224,560	251,373	2,531,646	224,560	253,752
Guardian Acquity Equity Fund	2,500,000	25,000	30,875	2,500,000	25,000	28,700
Ceybank Asset Management Ltd	360,001	3,600	41,333	360,001	3,600	33,362
Guardian Acquity Fixed Income Fund	7,500,000	75,000	89,625	7,500,000	75,000	85,200
Total investment in unit trust		328,160	413,206		328,160	401,014
Total Unquoted Investments		423,621	508,668		681,172	896,904
Total available for sale financial assets		5,199,206	8,210,520		4,117,979	8,064,325

26. INVENTORIES

As at 31st March	Group 2014	2013
Raw materials	4,828,762	5,014,901
Work-in-progress	145,249	97,672
Goods in Transit	564,939	-
Finished goods	2,444,975	2,258,815
	7,983,925	7,371,388
Provisions for inventories	(42,952)	(111,816)
	7,940,973	7,259,572

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Group 2014	Group 2013
(a) Provision for Inventory		
Balance as at beginning of the year	111,816	90,891
Provisions during the year	74,719	71,836
Reversals during the year	(143,583)	(50,911)
Balance as at end of the year	42,952	111,816

(b) Assets pledged as security

The Group has pledged inventories amounting to approximately Rs 4,098 Mn (2013: Rs 3,821 Mn) as security for bank borrowings.

27. TRADE AND OTHER RECEIVABLES

As at 31st March	Group 2014	Group 2013	Company 2014	Company 2013
Financial				
Non Current				
Land compensation receivable (note c)	109,906	98,441	-	-
Other receivables	152,412	-	-	-
	262,318	98,441	-	-
Current				
Trade receivables (net of provisions)	4,197,522	4,320,702	-	-
Taxes receivable	2,522,986	1,958,191	-	-
Other receivables	620,421	731,248	-	1,597
Loans given to employees	21,153	63,684	-	-
Current trade and other financial receivables	7,362,082	7,073,825	-	1,597
Trade and other financial receivables	7,624,400	7,172,266	-	1,597

Non Financial

As at 31st March	Group 2014	Group 2013	Company 2014	Company 2013
Non Current				
Plasma receivables (Note e)	819,900	197,240	-	-
Non current trade and other non financial receivables	819,900	197,240	-	-
Current				
Plasma receivables (Note e)	91,762	699,798	-	-
Prepayments	2,394,633	2,602,978	50	750
Current trade and other non financial receivables	2,486,395	3,302,776	50	750
Current trade and other non financial receivables	3,306,295	3,500,016	50	750
Total trade and other receivables - Non Current	1,082,218	295,681	-	-
Total trade and other receivables - Current	9,848,477	10,376,601	50	2,347

(Amounts expressed in Sri Lankan Rs. '000)

Loans and receivables

	Group		Company	
As at 31st March	2014	2013	2014	2013
Trade and other receivables-current	7,362,082	7,073,825	-	1,597
Other finance receivables-Non current	262,318	98,441	-	-
Cash and cash equivalents	16,935,783	7,933,522	101,507	69,113
	24,560,183	15,105,788	101,507	70,710

(a) Assets pledged as security

The Group has pledged receivables amounting to approximately Rs,3,632Mn or equivalent to US$ 27,696,000. (2013 Rs 1,400 Mn or equivalent to US$11,026,000) as security for bank borrowings.

(b) Trade Receivable that are past due but not impaired

The Group has trade receivables amounting to approximately Rs. 58.54 Mn or equivalent to US$ 448,000 (2013: Rs. 47.46 Mn or equivalent to US$ 363,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging for major segment as at the balance sheet date is as follows:

	Group	
As at 31st March	2014	2013
Oil palm plantation business segment		
Trade receivables past due but not impaired		
30 – 60 days	30,968	23,348
61 – 90 days	523	634
More than 90 days	7,579	9,644
	39,070	33,626
Oils and fats business segment		
Trade receivables past due but not impaired		
180– 365 days	1,699	9,770
Above 365 days	17,771	2,665
	19,470	12,435
Beverage business segment		
Trade receivables past due but not impaired		
0– 365 days	-	1,389
Above 365 days	-	15
	-	1,404

At the reporting date, management believes that all receivables are collectible and an allowance for doubtful accounts is considered not necessary.

(Amounts expressed in Sri Lankan Rs. '000)

Trade receivable denominated in foreign currency as follows:

	Group	
As at 31st March	2014	2013
Malaysian Ringgit	311,125	618,335
Indian Rupee	212,078	224,595
Indonesian Rupiah	327,237	779,612
US Dollar	2,219,300	1,159,648
	3,069,740	2,782,190

(c) Land compensation receivable

Pegasus Hotels of Ceylon PLC (PRH)

The government of Sri Lanka acquired approximately 1,251 perches of land owned by PRH under Section 38 proviso (a) of the Land Acquisition Act, No.28 of 1964 by gazette notification dated 14th May 2008 for the public purpose of a fisheries harbour project. The Divisional Secretary called for claim of compensation in response to which PRH submitted a claim of compensation for the compulsory acquisition of the said land on 16th July 2008. The final claim stands at Rs.563 mn taking into account the market value of the property, potential economic value lost for hotel expansion and the nuisance value that will be created for hotel operation by the said project. However, as a matter of prudence the Group has accounted for the compensation receivable of Rs. 189.5mn in the financial statements based only on the market value and related costs supported by a professional valuation dated 4th April 2009 conducted by Mr. K Arthur Perera, A.M.I.V.(Sri Lanka), Valuer & Consultant.

A valuation was carried out by Mr. K. Arthur Perera as at 31st March 2012 and according to the said valuation, the said acquired property is valued at Rs.250.4Mn.

No adjustment has been made to the compensation receivable on a prudent basis, however, this will further justify the PRH compensation claim on the property. As at the reporting date, PRH has not received any confirmation from the Divisional secretary on the value determination of the said claim.

Accordingly, the Group has recognized the said compensation receivable at its amortised cost; the underlying assumptions used in such assessment is detailed below:

Expected timing of cash flows	Year 2018
Discount rates used	The weighted average deposit rate

(Amounts expressed in Sri Lankan Rs. '000)

(e) Plasma receivables

In accordance with the Indonesian government's policy, oil palm plantation companies are required to develop new plantations for the local communities within and around the company. A cooperative establishment is formed to take care of the landholder's rights and obligations and this form of assistance to local communities is generally known as the "Plasma Programme".

Plasma receivables represent costs incurred for plasma plantation development and advances to Plasma farmers for working capital purposes during the early maturity stage. These include biological assets and their infrastructures, covering costs incurred for land clearing, planting, upkeep, fertilisation, mature plantation management, harvesting and other indirect expenses. The advances will be subsequently recovered through revenue generated from the Plasma plantations.

Land rights of the Plasma plantation are mortgaged and kept as security for obtaining bank loans from commercial banks in Indonesia. These land rights will be handed over to the Group upon the completion of the loan period. As per management agreement signed with the Plasma Corporative, which represents the Plasma members and the Group's subsidiary companies, these land titles can be retained by the group as security until advances provided are paid in full through Plasma revenue.

28. FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS

Fair value through profit or loss financial assets in equity securities - Group

As at 31st March	No of Shares 2014	Market Value 2014	No of Shares 2013	Market Value 2013
Quoted Investments				
Banks, Finance & Insurance				
National Development Bank PLC	811,603	144,952	-	-
Housing Development Finance Corporation Bank of Sri Lanka	213,324	30,697	-	-
Commercial Bank of Ceylon PLC	680,537	83,706	1,668,660	188,558
Hatton National Bank PLC	712,189	106,828	1,085,000	181,521
Hatton National Bank PLC - Non Voting	100,000	12,000	-	-
Nations Trust Bank PLC	100,000	6,490	-	-
People's Leasing & Finance PLC	-	-	180,688	2,367
Trade Finance and Investment PLC	136,600	2,554	-	-
		387,227		372,446
Beverage, Food & Tobacco				
Distilleries Company of Sri Lanka PLC	399,174	81,032	1,419,646	236,371
Ceylon Cold Stores PLC	880	124	880	119
Ceylon Tobacco Company PLC	54,167	57,200	64,167	50,095
		138,356	-	286,585
Construction and Engineering				
Access Engineering PLC	350,000	7,875	-	-
	350,000	7,875		-

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	No of Shares 2014	Market Value 2014	No of Shares 2013	Market Value 2013
Chemicals & Pharmaceuticals				
Union Chemicals Lanka PLC	200	96	200	88
		96		88
Diversified Holdings				
Hemas Holdings PLC	1,650,059	62,207	98,125	2,649
John Keells Holdings PLC	733,723	166,558	948,851	234,366
Expolanka Holdings PLC	1,972,669	17,162	-	-
Aitken Spence PLC	880,218	86,173	-	-
JKH Warrents 2015	336,347	23,073	-	-
JKH Warrents 2016	858,047	61,694	-	-
		416,867		237,015
Health Care				
The Lanka Hospitals Corporation PLC	783,000	32,573	-	-
	783,000	32,573		-
Land & Property				
Colombo Land & Development Company PLC	-	-	518,093	15,802
Overseas Reality (Ceylon) PLC	989,643	20,288	-	-
		20,288		15,802
Hotels				
Asian Hotels and Properties PLC	97,000	5,704	-	-
Aitken Spence Hotel Holdings PLC	200,577	14,040	200,577	14,844
Serendib Hotels PLC	167,336	3,129	-	-
		22,873		14,844
Manufacturing				
Royal Ceramic Lanka PLC	450,000	35,685	-	-
Piramal Lanka Glass Company PLC	-	-	4,000,000	24,400
Kelani Tyres PLC	479,849	25,048	-	-
		60,733		24,400
Power & Energy				
Lanka IOC Limited	2,053,905	79,075	20,000	408
Laughfs GAS PLC	310,975	10,107	-	-
		89,182		408
Telecommunications				
Dialog Axiata PLC	6,331,448	56,983	1,550,000	13,950
	-	56,983	-	13,950
Total fair value through profit or loss financial assets		1,233,053		965,538

(Amounts expressed in Sri Lankan Rs. '000)

29. DERIVATIVE FINANCIAL INSTRUMENT

	Group					
	2014 Contract/ Notional amount	Asset	Liability	2013 Contract/ Notional amount	Asset	Liability
CPO futures contracts	52,660	-	(293)	575,192	14,858	-
Foreign exchange forward contracts	1,409,015	12,602	(294)	-	-	-
	1,461,675	12,602	(587)	575,192	14,858	-

The Group enters into commodities future contracts in order to hedge the financial risks related to the purchase and sales of commodity products. Unrealised fair value loss of approximately Rs. 294,000/- or equivalent to US$2,000 (2013: Gain of Rs 14. 85 Mn or equivalent US$117,000) in respect of these contracts were recognised in the profit or loss since the Group has not adopted hedge accounting as of 31st March 2014.

The Group entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit and loss. Unrealised fair value gain of approximately Rs . 12.30 Mn or equivalent US$94,000 (2013: Nil) in respect of these contracts were recognised in the profit or loss since the Group has not adopted hedge accounting as of 31st March 2014.

30. CASH AND CASH EQUIVALENTS

	Group		Company	
As at 31st March	2014	2013	2014	2013
Deposits				
F.C.B.U. deposits	1,540,960	57,527	-	-
Call deposits	8,891,384	2,447,115	86,480	-
Treasury bills	-	106,184	-	67,684
Fixed deposits	2,473,101	2,198,472	-	-
Short - term deposits	12,905,445	4,809,298	86,480	67,684
Cash in hand and at bank	4,030,338	3,124,224	15,027	1,429
	16,935,783	7,933,522	101,507	69,113

(a) Cash and cash equivalents are denominated in foreign currencies as at 31st March as follows:

	Group	
As at 31st March	2014	2013
US Dollars	3,320,063	191,982
Sterling Pound	1,307	1,142
Indonesian Rupiah	2,617,451	486,750
Malaysian Ringgit	535,747	199,090
Singapore Dollars	2,091	508
Indian Rupee (INR)	449,766	274,082
	6,926,425	1,153,554

(Amounts expressed in Sri Lankan Rs. '000)

Certain bank accounts of the Group have been pledged as security for bank borrowings. As at 31st March 2014, these accounts have a total amount of Rs 428.98 Mn (2013: Rs 360.74 Mn). There are no legal and contractual restrictions on the use of the pledged bank accounts.

Plantation sector cash management

Cash at bank is placed in a managed rate account earning interest income at 0.25% – 9.00% per annum (2013 : 1.75% – 4.00% per annum) for IDR accounts and 0.00% – 0.50% per annum (2013: 0.00% – 1.00% per annum) for US Dollar accounts.

Short-term deposits earn interest at floating rates based on daily bank deposit rates and are made for varying periods between one day to a week, depending on the immediate cash requirements of the sector. In 2014, interest earned ranges from 3.50% - 5.50% per annum (2013: 3.25% - 3.50% per annum) for Indonesian Rupiah short-term deposits, 0.05%-1.25% per annum (2013: 0.10%-0.15% per annum) for US Dollar short-term deposits and 6.75%-9.50% per annum (2013 : 8.47%-10.00%) for REPO's placed in Sri Lanka.

Oils and Fats cash management

Deposits that are kept with banks are used to cash back the trade instruments, such as Letter of Credits, bank guarantees. These deposits range from a period of a week to three months. For Indian Rupee the interest earned ranges from 6.75% – 9.40% per annum (2013: 5.50% – 9.40% per annum). For Malaysian Ringgit interest earned ranges from 3.00% – 3.70% per annum (2013: 2.80% – 3.10% per annum). Any excess cash is further utilized to reduce the overdraft interest incurred.

Investment and Beverage sectors cash management

Short-term deposits earn interest at floating rates based on daily bank deposit rates and are made for varying periods between one day to a three months, depending on the immediate cash requirements of the sector. In 2014, interest earned ranges from 7% – 10% per annum (2013: 9% – 13% per annum)

(b) For the purpose of the consolidated statement of cash flow, cash and cash equivalent comprise the following:

	Group		**Company**	
As at 31st March	2014	2013	2014	2013
Short - term deposits	12,905,445	4,809,298	86,480	67,684
Cash-in-hand and at bank	4,030,338	3,124,224	15,027	1,429
	16,935,783	7,933,522	101,507	69,113
Short - term borrowings	(17,202,878)	(15,850,748)	-	-
Bank overdrafts	(925,778)	(4,511,447)	-	-
	(1,192,873)	(12,428,673)	101,507	69,113

(Amounts expressed in Sri Lankan Rs. '000)

31. STATED CAPITAL

	Group/Company			
	Movement in No of shares		Movement in Stated capital	
	At the end of the year 31.03.2014	At the end of the year 31.03.2013	At the end of the year 31.03.2014	At the end of the year 31.03.2013
Ordinary shares				
At the beginning of the year	102,000,000	102,000,000	371,880	371,880
At the end of the year	102,000,000	102,000,000	371,880	371,880
Preference shares				
At the beginning of the year	1,839,568	1,839,568	40,755	40,755
At the end of the year	1,839,568	1,839,568	40,755	40,755
Stated Capital			412,635	412,635

(a) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. All ordinary shares rank equally with regard to the right to the Company's residual assets at the point of distribution.

32. CAPITAL RESERVES

	Group		Company	
As at 31st March	2014	2013	2014	2013
Represented by				
Capital redemption reserve	40,000	40,000	40,000	40,000
Other capital reserves	2,148,938	2,129,329	-	-
	2,188,938	2,169,329	40,000	40,000

Capital Accretion reserve, Revaluation reserve - Created to used againsed redeeming of redeemable preferences .Not utilised for distribution.

Other capital reserves - represents the amounts set aside by the Directors for future expansion and to meet any contingencies.

33. REVENUE RESERVES

	Group		Company	
As at 31st March	2014	2013	2014	2013
Represented by				
Currency translation reserve	(2,651,546)	819,243	-	-
Available-for-sale financial assets reserves	948,447	1,198,861	-	-
Retained earning	29,379,911	27,432,269	6,733,458	6,709,636
	27,676,812	29,450,373	6,733,458	6,709,636

(Amounts expressed in Sri Lankan Rs. '000)

(a) Currency translation reserve comprises the net exchange movement arising on the translation of net equity investments of Overseas Subsidiaries into Sri Lankan rupees.

(b) Available-for-sale financial assets reserve

This consists of unrealised gains on revaluation of available for sale financial assets.

34. INVESTMENTS THROUGH SUBSIDIARIES

Company	No. of Shares	Cost	Market value	Cost	Market value
As at 31st March		2014	2014	2013	2013
Bukit Darah PLC	26,709,031	10,688	15,782,366	10,688	18,843,221

35. LOANS AND BORROWINGS

As at 31st March					Group 2014	Group 2013
Current Bank loan and borrowings Long term Bank borrowings - amounts due within one year (Note 35 (a))	Currency	Maturity	Note	Weighted average interest rate		
Secured	USD	2015	A	COF + 3.00%- 3.25% p.a.	4,868,895	2,055,618
Unsecured	USD	2015	B	3 Months LIBOR + 3.17%	292,191	283,933
Unsecured	USD	2015		LIBOR + 3.87%	-	12,712
Secured	MYR	2015	C	COF + 1.50% p.a.	1,298,298	1,327,752
Unsecured	LKR	2015	D	1 Months SLIBOR +2.75	595,659	430,144
Unsecured	LKR	2015	E	3 Months AWDR + 3%	200,000	200,000
Unsecured	LKR	2015		9%	8,568	8,568
Unsecured	LKR	2015	I	AWPLR +1%	115,000	30,000
					7,378,611	4,348,727
Finance lease payables (Note 35 (c))					52,921	23,496
Redeemable preference shares (Note 35(d))					-	55,000
					7,431,532	4,427,223
Short term Bank borrowings						
Working capital facilities						
Secured	USD	2015	F	LIBOR + 4.40% p.a.	450,158	952,309
Secured	IDR	2015	F	BLR – 2.5% p.a.	1,231,276	769,715
Revolving credit facility						
Secured	USD	2015	A	COF + 3.00% p.a.	657,885	1,268,900
Secured	MYR	2015	G	COF + 1.20% p.a	809,710	819,583
Secured			H	BR+ 2.25%	-	699,925
Bankers' acceptance						
Secured	MYR	2015	G	COF + 1.50% p.a	5,419,277	3,341,267
Bill discounting						

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March					Group 2014	Group 2013
Non - Current	**Currency**	**Maturity**	**Note**	**Weighted average interest rate**		
Long term Bank borrowings - amount due after one year (Note 35 (a))						
Secured	MYR	2015	G	COF + 1.50% p.a	634,010	284,996
Import loan						
Secured	MYR	2015	G	COF + 1.50% p.a	-	42,381
Buyers' credit						
Secured	USD	2015	H	LIBOR + margin p.a	1,228,037	1,146,072
Short term loan						
Secured				COF + 2.75% p.a	-	5,075,600
Unsecured	USD	2015		7.65% to 8%	6,772,525	1,450,000
Bank overdrafts					925,777	4,511,447
Total Short term Bank borrowings					18,128,655	20,362,195
Total loan payable within the year					25,560,187	24,789,418
Secured	USD	2018	A	LIBOR +3- 3.25% . /3.5%-3.75% p.a	29,936,889	19,997,864
Unsecured	USD	2017	B	3 Months LIBOR + 3.17	651,977	872,185
Secured	MYR	2015	C	COF + 1.50% p.a.	3,245,693	4,647,130
Unsecured	LKR	2017	E	3 Months AWDR + 3%	600,000	800,000
Unsecured	LKR	2017	D	1 Months SLIBOR +2.75	1,055,713	1,051,721
Unsecured				9%	7,878	16,446
Unsecured	LKR		I	AWPLR +1%	391,700	15,000
					35,889,850	27,400,346
Finance lease payables (Note 35(c))					44,060	44,612
Total long term bank borrowings - amount due after one year					35,933,910	27,444,958
Total Loans and Borrowings					61,494,097	52,234,375

(a) Bank Borrowings

Movement in Long - Term Borrowings

	2014	2013
Balance as at the beginning of the year	31,749,073	28,460,083
Transfer	6,505,500	-
Obtained during the year	8,485,592	10,055,201
	46,740,165	38,515,284
Impact on exchange rate changes on conversion	567,269	(195,443)
Unamortized transaction cost	(1,214,577)	-
Re - payments during the year	(2,824,396)	(6,570,768)
	43,268,461	31,749,073
Amounts falling due within one year	(7,378,611)	(4,348,727)
Amounts falling due after one year	35,889,850	27,400,346

(Amounts expressed in Sri Lankan Rs. '000)

(b) Details of borrowings

A These loans and borrowings are repayable fully on 14th November 2018 and secured by certain property, plant and equipment and certain bank accounts of certain subsidiaries of the group. All the borrowers under the facility together with one of the GAHL's subsidiaries have also provided corporate guarantees.

B This is a term loan repayable in 20 equal quarterly installments commencing from March 2012.

C This is a term loan repayable fully on 27th October 2015 and secured by fixed and floating charge over the borrowers' existing and future assets excluding intangible assets. The GAHL has also provided a corporate guarantee for this loan facility.

D This is a term loan repayable in 42 equal monthly installments commencing from April 2013.

E This is a term loan repayable in 60 equal monthly installments commencing from April 2013.

F This represents two working capital facilities and secured over the borrowers' stocks and trade receivables.

G These trade finance facilities are secured by fixed and floating charge over the borrowers' existing and future assets excluding intangible assets. The GAHL has also provided a corporate guarantee for these facilities.

H These are loan facilities secured over present and future movable fixed assets of the borrower together with stocks and trade receivables of the Borrower. The GAHL has provided a corporate guarantee for these facilities.

I To be repaid in 59 equal Monthly Installments of Rs.8.3 Mn. each and a final installment of Rs.10.3 Mn.

* COF - Cost of Funds, BLR - Bank Lending Rate, SLIBOR - Sri Lankan Inter Bank Offer Rate, LIBOR - London Inter Bank Offer Rate

(c) Obligations under finance leases and hire purchases

The outstanding minimum lease payments and scheduled maturity dates are as follows:

	Group	
As at 31st March	2014	2013
Analysis of finance lease obligation by year of re - payment		
Minimum lease payments:		
Due within one year	63,398	36,925
Due within two years	48,087	42,381
Future lease payments	111,485	79,306
Less: Future finance charges	(14,504)	(11,198)
Present value of minimum lease payable	96,981	68,108
Less: Current portion of obligations due under finance lease	(52,921)	(23,496)
	44,060	44,612

Certain Oil Palm Plantation and Oils & Fats sector companies had entered into finance lease agreements for motor vehicles and heavy vehicles with finance lease terms of 3 to 5 years (31st March 2013: 3 to 5 years). These finance lease purchase obligations are subject to effective interest rate of 13.73% (31st March 2013: 11.49%) per annum.

(Amounts expressed in Sri Lankan Rs. '000)

(d) Redeemable Preference shares

As at 31st March	Group 2014	2013
Movements in redeemable preference shares		
Balance as at the beginning of the year	55,000	110,000
Redemptions during the year	(55,000)	(55,000)
Balance as at the end of the year	-	55,000
Amounts falling due within one year	-	(55,000)
Amounts falling due after one year	-	-

36. DEBENTURES

The Company Subsidiary, Lion Brewery (Ceylon) PLC issued 3,000,000 Rated Unsecured Redeemable Debentures at the face value of Rs. 1,000/- each to raise Rs. 3,000,000,000/- on 17th June 2013. The interest is paid on 30th June, 30th September, 31st December and 31st March for a period of 5 years.

The categories of Debentures and Proportion of each type of debentures in each category are as follows.

As at 31st March	Group 2014	2013
Category 01 Debentures - Floating Rate (Note 36.1)	1,006,000	-
Category 02 Debentures - Fixed Rate (Note 36.2)	1,994,000	-
	3,000,000	-

36.1 Category 01 Debentures - Floating Rate

Types in Category 01 Debentures	Amount Rs. 000	Proportion (From and out of the Category 01 Debentures issued)	Interest Rate (per annum) payable quarterly	Redemption From the Date of Allotment
Type A	201,200	20%	AWPLR + 0.20%	12 Months (1 Year)
Type B	201,200	20%	AWPLR + 0.40%	24 Months (2 Years)
Type C	201,200	20%	AWPLR + 0.60%	36 Months (3 Years)
Type D	201,200	20%	AWPLR + 0.80%	48 Months (4 Years)
Type E	201,200	20%	AWPLR + 1.10%	60 Months (5 Years)
Total	1,006,000			

(Amounts expressed in Sri Lankan Rs. '000)

36.2 Category 02 Debentures - Fixed Rate

Types in Category 02 Debentures	Amount Rs. 000	Proportion (From and out of the Category 02 Debentures issued)	Interest Rate (per annum) payable quarterly	AER (per annum)	Redemption From the Date of Allotment
Type F	598,200	30%	13.50%	14.20%	36 Months (3 Years)
Type G	598,200	30%	13.75%	14.48%	48 Month (4 Years)
Type H	797,600	40%	14.00%	14.75%	60 Months (5 Years)
Total	1,994,000				

Composition of Debentures and interest payable

As at 31st March	Group 2014	Group 2013
Classified under Non Current Liabilities		
Debentures falling due after one year	2,798,800	-
Total	2,798,800	
Classified under Current Liabilities		
Debentures falling due within one year	201,200	-
Debenture interest payable	93,774	-
	294,974	-

37. TRADE AND OTHER PAYABLES

As at 31st March	Group 2014	Group 2013	Company 2014	Company 2013
Financial				
Non Current				
Rental deposits [Note a]	50,492	28,077	-	-
	50,492	28,077	-	-
Current				
Trade payables	4,818,257	3,573,040	-	-
Customer deposits (Note c)	1,044,453	980,663	-	-
Taxes payable	1,157,695	1,248,719	-	-
Other creditors	6,552,675	2,840,526	51,009	44,996
Current trade and other financial payables	13,573,080	8,642,948	51,009	44,996
Trade and other financial payables	13,623,572	8,671,025	51,009	44,996
Non Financial				
Current				
Accrued expenses	2,824,945	2,175,245	4,600	4,025
	2,824,945	2,175,245	4,600	4,025
Trade and other non financial payables	2,824,945	2,175,245	4,600	4,025
Total trade and other payables - Non Current	50,492	28,077	-	-
Total trade and other payables - Current	16,398,025	10,818,193	55,609	49,021

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

Total financial liabilities	Group		Company	
As at 31st March	2014	2013	2014	2013
Trade and other financial payables - current	13,573,080	8,642,948	51,009	44,996
Other financial payables – non-current	50,492	28,077	-	-
Loans and borrowings	61,494,097	52,234,375	-	-
Derivative financial instruments	587	-	-	-
Debenture	3,093,774	-	-	-
Total financial liabilities carried at amortised cost	78,212,030	60,905,400	51,009	44,996

Term and condition of the above current Financial liabilities:

- Trade payables are non - interest bearing and are normally settled in 60 to 90 day terms.
- Other payables are non - interest bearing and have an average term of six months.

(a) Rental Deposits

	Group	
As at 31st March	2014	2013
Balance as at the beginning of the year	28,077	25,492
Receipts during the year	32,132	3,772
Transferred to deferred revenue	(10,877)	-
Refunds during the year	(1,896)	(253)
Amount recovered from prepaid rental deposits	-	(3,079)
Unwinding of interest on refundable deposits	3,056	2,145
Balance as at the end of the year	50,492	28,077

The above rental and telephone deposits are re - payable on termination of the tenancy agreements in the real estate sector.

(b) Customer Deposits

	Group	
As at 31st March	2014	2013
Balance as at the beginning of the year	980,663	858,665
Receipts during the year	63,790	149,105
Refunds made during the year	-	(27,107)
Balance as at the end of the year	1,044,453	980,663

Customer deposits are taken as security against the containers with the distributors in the beverage sector.

(Amounts expressed in Sri Lankan Rs. '000)

(c) Trade payable denominated in foreign currencies as follows

	Group	
As at 31st March	2014	2013
Currency		
US Dollar	2,184,933	1,289,583
Malaysian Ringgit	1,115,007	515,681
Indonesian Rupiah	1,427,439	1,658,960
Indian Rupee (INR)	13,851	36,798
Singapore Dollar	6,664	634
Euro	8,363	3,299
British Sterling Pound	-	761
	4,756,257	3,505,716

38. EMPLOYEE BENEFITS

	Group	
As at 31st March	2014	2013
The amounts recognized in the profit or loss are as follows;		
Current service cost	288,506	116,353
Interest cost	79,456	55,810
Amortization of past service costs	(16,055)	381
Immediate recognition on new entrants	74,150	56,682
Curtailment gain/loss	(139,120)	(25,511)
Total employee benefit expense	286,937	203,715
The details of employee benefit liability as at 31st March 2014 and 2013 are as follows:		
Present value of unfunded obligations	1,038,037	1,240,631
	1,038,037	1,240,631

The movement in the liabilities recognized in the Statement of Financial Position is as follows:

	Group	
As at 31st March	2014	2013
Balance as at the beginning of the year	1,240,631	628,636
On Consolidation	-	3,634
Provision for the year	286,937	203,715
Payments made during the year	(24,919)	(15,135)
Re -measurement (gain)/loss	(302,510)	458,788
Impact on exchange rate changes on conversions	(162,102)	(39,007)
Balance as at the end of the year	1,038,037	1,240,631

(Amounts expressed in Sri Lankan Rs. '000)

(a) Sensitivity analysis on the key assumptions in actuarial valuation is as follows;

	Discount Rate		Future salary increment	
	1% increase	1% decrease	1% increase	1% decrease
2014				
Consolidated statement of financial position				
Retirement benefit obligations	(120,202)	144,093	139,475	(119,822)
Consolidated statement of comprehensive income				
Re-measurement gain / (loss) on retirement benefit obligations	119,710	(143,502)	126,259	119,333
2013				
Consolidated statement of financial position				
Retirement benefit obligations	(161,404)	196,680	185,513	(157,470)
Consolidated statement of comprehensive income				
Re-measurement gain / (loss) on retirement benefit obligations	164,940	(200,989)	(189,578)	160,920

(b) A separate fund has not been established to accommodate the liability arising in respect of employee benefit. The above gratuity provision of Rs.286.93 Mn (2013 -Rs 203.71Mn) is based on assumptions of an actuarial valuation carried out by Mr. M. Poopalanathan, AIA, of Messrs Actuarial & Management Consultants (Private) Limited, as recommended by the Sri Lanka Accounting Standards (LKAS 19) -Employee benefits ', the Projected Unit Credit' (PUC) method has been used in this valuation. The Indonesian Subsidiaries, engaged an independent actuary, PT Dayamandiri Dharmakonsilindo to conduct actuarial valuation of employee benefits liability as of March 31st 2014 using the projected unit credit actuarial valuation method.

The actuarial valuation was made using the following assumption:			
	Sri Lanka	Indonesia	Malaysia
Discount rate	10% per annum	8.61% per annum	4% per annum
Future salary increment rate	10% - 12% per annum	11% per annum	3% per annum
Withdrawal Rate	-	-	10%
Mortality rate	A 67/70 Mortality Table issued by the Institute of Actuaries, London	TOM year 2011	
Disability rate		10% of mortality rate	-
Resignation rate	5% per annum for age up to 49 and thereafter zero.	3% per annum from age 20 and reducing linearly to 1% per annum at age 45 and thereafter 100% at normal retirement	-
Retirement age	55 years	55 years	

(c) Changes in accounting policies and methods of computation - Oil Palm Plantation Sector

Amendments to LKAS 19 : Employee Benefits (Revised)

The Amendments to SLFRS 19 removes the corridor mechanism for defined benefit plans and no longer allows actuarial gains and losses to be recognised in profit or loss. The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than employee entitlement.

This change in accounting policy has been applied retrospectively from 1st April 2012. Accordingly, the comparatives have been restated.

(Amounts expressed in Sri Lankan Rs. '000)

(a) Impact to the profit or loss

	For the year ended 31st March 2013		
	As previously reported	Current Presentation	Recognition Actuarial gain / (Losses)
Profit Before tax expenses	13,555,159	13,627,257	72,098
Income tax expenses	(3,964,642)	(3,982,666)	(18,024)
Profit for the year	9,590,517	9,644,591	54,074

(b) Impact to the other comprehensive Income / (expenses)

Actuarial gain / (losses) for retirement benefits	-	(458,787)	458,787
Deferred tax benefits / (expenses) for actuarial gain / (losses)	-	114,696	(114,696)
	-	(344,091)	344,091

(c) Impact to the Statement of Financial Position

Employee benefits	770,932	1,240,631	469,699
Deferred tax assets	(1,264,001)	(1,381,424)	(117,423)
	(493,069)	(140,793)	352,276
Revenue reserve	29,645,647	29,450,373	(195,275)
Non - Controlling Interest	34,998,672	34,841,670	(157,001)
			(352,276)

39. NET ASSETS PER SHARE

Company and Group net asset per share calculation is as follows.

	Group		Company	
As at 31st March	2014	2013	2014	2013
Total Equity	66,468,508	66,874,007	7,186,093	7,162,271
Less				
Non -controlling interest	(36,190,123)	(34,841,670)	-	-
Outstanding preference share capital	(40,755)	(40,755)	(40,755)	(40,755)
Total equity attributable to owners of the company	30,237,630	31,991,582	7,145,338	7,121,516
Number of ordinary shares used as the denominator				
Ordinary shares in issue	102,000,000	102,000,000	102,000,000	102,000,000
Net Asset per Share (Rs.)	296.45	313.64	70.05	69.82

(Amounts expressed in Sri Lankan Rs. '000)

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced liquidation or sale.

(i) Classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value Current trade and other receivables (Note 27), cash and cash equivalents (Note 30), trade and other payables (Note 37) and loans and borrowings (Note 35).

(ii) The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair value of financial assets and liabilities by classes that are not carried at fair value and of which carrying amounts are not reasonable approximation of fair value are as follows:

	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial asset				
Other receivable	153,015	#	278,524	#

Fair value information has not been disclosed for these financial instruments carried at cost as fair value cannot be measured reliably.

(b) The following table shows an analysis of financial assets and liabilites carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable (Level 3)	Total
Financial assets:				
As at 31st March 2014	-			
Available-for-sale financial assets	8,115,058	-	95,462	8,210,520
Fair value through profit or loss financial assets	1,233,053	-	-	1,233,053
Biological assets	-	-	46,817,103	46,817,103
Investment properties	-	2,093,650	-	2,093,650
Freehold land & buildings	-	5,023,058	6,015,134	11,038,192
Balance as at 31st March 2014	9,348,111	7,116,708	52,927,699	69,392,518
As at 31st March 2013				
Available-for-sale financial assets	7,568,435	401,143	94,747	8,064,325
Fair value through profit or loss financial assets	965,538	-	-	965,538
Biological assets	-	-	42,787,232	42,787,232
Investment properties	-	1,969,954	-	1,969,954
Freehold land & buildings	-	4,712,503	6,153,303	10,865,806
Balance as at 31st March 2013	8,533,973	7,083,600	49,035,282	64,652,855

(Amounts expressed in Sri Lankan Rs. '000)

(c) Fair value of financial assets and liabilities that are carried at fair value

Fair value hierarchy

The table below analyses financial assets and liabilities carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived prices).
Level 3:inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Methods and assumptions used to determine fair values

The methods and assumptions used by the management to determine the fair values of financial assets and liabilities other than those carrying amounts reasonably approximate to their fair values as mentioned in Note, are as follows:

Instrument Category	Fair Value Basis	Fair Value Hierarchy
Investment in Listed Shares	Published volume weighted average (VWA) prices	Level 1
Listed Unit Trusts	Published Market Prices	Level 1
Unlisted redeemable Unit Trusts	Net assets Values (NAV)	Level 1
Biological Assets	Discounted cash flow	Level 3
Investment properties	Market approach	Level 2
Freehold Land & Buildings	Market approach/	Level 2
Freehold Land & Buildings	Existing use	Level 3

Fair value of financial instruments by classes that are not carried at fair value and of which carrying amounts are reasonable approximation of fair value

Current trade and other financial receivables and payables, current and non-current loans and borrowings at floating rate, other bank deposits and cash and bank balances. The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

(Amounts expressed in Sri Lankan Rs. '000)

(d) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3)

	Available-for -sale financial assets	Biological assets	Freehold Land and Buildings (Malaysia)	Total
As at 1st April 2012	84,246	33,698,717	5,541,933	39,324,896
Total (Loss)/gain recognised in the profit and loss				
Net gain arising from changes in fair value of assets	-	4,881,099	-	4,881,099
Total gain recognised in the other comprehensive income				
Foreign currency translation	-	(2,730,510)	(173,495)	(2,904,005)
Revaluation of freehold land and buildings	-	-	784,865	784,865
Movements in assets	10,501	6,937,926	-	6,948,427
As at 31st March 2013	94,747	42,787,232	6,153,303	49,035,282
Total loss recognised in the income statement				
Net gain arising from changes in fair value of assets	-	3,182,098	-	3,182,098
Total loss recognised in the other comprehensive income				
Foregen currency translation	-	(5,551,523)	(138,170)	(5,689,693)
Movements in assets	715	6,399,296	-	6,400,011
As at 31st March 2014	95,462	46,817,103	6,015,133	52,927,698

There have been no transfer from level 1, level 2 or level 3 for the financial years ended 31st March 2013 and 31st March 2014.

41. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

The accounting classification of each category of financial instruments and their carrying amounts are set out below

2014	Available for sale	Fair value or loss through profit	Loans and receivables	Other financial liabilities	Total carrying amount
Financial assets					
Investment in equity securities	7,797,309	1,233,053	-	-	9,030,362
Investment in unit trust	413,211	-	-	-	413,211
Trade and other receivables	-	-	7,624,400	-	7,624,400
Derivative financial instruments	-	-	12,602	-	12,602
Cash and cash equivalents	-	-	16,935,783	-	16,935,783
	8,210,520	1,233,053	24,572,785	-	34,016,358
Financial liabilities					
Long term borrowings	-	-	-	43,268,461	43,268,461
Debentures	-	-	-	3,093,774	3,093,774
Finance lease liabilities	-	-	-	96,981	96,981
Trade payables	-	-	-	13,623,572	13,623,572
Derivative financial instruments	-	-	-	587	587
Short term borrowings				18,128,655	18,128,655
	-	-	-	78,212,030	78,212,030

(Amounts expressed in Sri Lankan Rs. '000)

2013	Available for sale	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount
Financial assets					
Investment in equity securities	7,663,306	965,538	-	-	8,628,844
Investment in unit trust	401,019	-	-	-	401,019
Trade and other receivables	-	-	7,172,266	-	7,172,266
Derivative financial instruments	-	-	14,858	-	14,858
Cash and cash equivalents	-	-	7,933,522	-	7,933,522
	8,064,325	965,538	15,120,646	-	24,150,509
Financial liabilities					
Long term borrowings	-	-	-	31,749,073	31,749,073
Redeemable preference shares	-	-	-	55,000	55,000
Finance lease liabilities	-	-	-	68,108	68,108
Trade payables	-	-	-	8,671,025	8,671,025
Derivative financial instruments	-	-	-	-	-
Short term borrowings	-	-	-	20,362,195	20,362,195
	-	-	-	60,905,401	60,905,401

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency, commodity price and market price risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant financial instruments to hedge the risks of such commercial exposure. Such financial instruments are not held for trade or speculative purposes. These market risk management activities are governed by the risk management framework and system. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks for the financial years ended 31st March 2014 and 31st March 2013, Mechanisms adopted by the Group in managing eventual impact of such risks are given below,

(1) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. For trade receivables, the Group adopts the policy of dealing with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit rating counter parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

(Amounts expressed in Sri Lankan Rs. '000)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

As at 31st March	2014	2013
Available for sale financial assets - Investment in unit trusts	413,206	401,014
Trade and other receivables	7,624,400	7,172,266
Cash and cash equivalents	16,935,783	7,933,522
	24,973,389	15,506,802

The credit risk for the trade and other receivable at the end of the reporting period by segment wise as follows:

As at 31st March	2014	2014 % of total	2013	2013 % of total
Investment Holding/Portfolio and Asset Management	45,559	1	148,694	2
Oil Palm Plantations	3,277,236	43	3,560,512	50
Oils & Fats	2,898,520	38	1,820,040	25
Beverage	1,196,376	16	1,448,068	20
Real Estate	51,846	1	34,528	-
Leisure	152,873	2	157,885	2
Management Services	1,990	-	2,539	-
	7,624,400	100	7,172,266	100

The credit risk for the trade and other receivable at the end of the reporting period by geographic region as follows:

As at 31st March	2014	2014 % of total	2013	2013 % of total
Sri Lanka	1,524,132	20	1,829,768	26
Malaysia	2,581,122	34	1,588,170	22
Indonesia	3,090,550	41	2,973,521	41
Singapore	51,255	1	503,144	7
India	377,341	5	277,663	4
	7,624,400	100	7,172,266	100

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are credit-worthy debtors with good payment record with the Group. Cash and cash equivalents, financial assets held for trading and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(Amounts expressed in Sri Lankan Rs. '000)

(2) Liquidity Risk

The Group actively manage its operating and financing cash flows to ensure all refinancing, repayment and investment needs are satisfied. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain unutilised banking facilities of a reasonable level compared to its overall debt. The Group raises committed funding from both capital markets and financial institutions and prudently balance it's debt maturity profile with a mix of short and longer term funding to achieve overall cost effectiveness.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the segment treasury. The Treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

	One year or less	One to five years	Total
Group			
2014			
Financial assets			
Available-for-sale financial assets	-	8,210,520	8,210,520
Fair value through profit or loss financial assets	1,233,053	-	1,233,053
Trade and other receivables	7,362,082	262,318	7,624,400
Derivative financial instruments	12,602		12,602
Cash and cash equivalents	16,935,783	-	16,935,783
Total undiscounted financial assets	25,543,520	8,472,838	34,016,358
Financial liabilities			
Trade and other payable	13,573,080	50,492	13,623,572
Derivative financial instruments	587	-	587
Loans and borrowings	25,560,187	35,933,910	61,494,097
Debentures	294,974	2,798,800	3,093,774
Total undiscounted financial liabilities	39,428,828	38,783,202	78,212,030
Total net undiscounted financial assets/(liabilities)	(13,885,308)	(30,310,364)	(44,195,672)
2013			
Financial assets			
Available-for-sale financial assets	-	8,064,325	8,064,325
Fair value through profit or loss financial assets	965,538	-	965,538
Trade and other receivables	7,073,825	98,441	7,172,266
Derivative financial instruments	14,858		14,858
Cash and cash equivalents	7,933,522	-	7,933,522
Total undiscounted financial assets	15,987,743	8,162,766	24,150,509
Financial liabilities			
Trade and other payable	8,642,948	28,077	8,671,025
Derivative financial instruments - -			
Loans and borrowings	24,789,418	27,444,958	52,234,375
Total undiscounted financial liabilities	33,432,366	27,473,035	60,905,400
Total net undiscounted financial assets/(liabilities)	(17,444,623)	(19,310,268)	(36,754,891)

(Amounts expressed in Sri Lankan Rs. '000)

(3) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity price and equity prices, will effect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Group's primary source of cash inflows are from the sale of palm based products. The Group prices its Crude Palm Oil ("CPO") and Palm Kernel ("PK") produced in the oil palm plantation business with reference to the international market prices. These commodities are subject to fluctuation in prices, due to varying market forces

The Group manages the impact of such price volatility on its cash flows, by hedging its sales by entering into forward sale contract or by hedging its sales through CPO futures where required. The Group has not adopted hedge accounting as at 31st March 2014.

As at 31st March 2014, had the prices of CPO and PK been 5% higher/lower with all other variables held constant, profit before tax would have increased/decreased by Rs.939Mn or equivalent US$7,189,000 (2013: Rs. 1,060 Mn or equivalent US$8,358,000).

CPO, PK and Crude Palm Kernel Oil ("CPKO") are also key raw materials in our edible oils and fats business segment. These are as stated above freely-traded market commodities and are subject to varying market forces that determine its prices.

In the edible oils and fats business segment, the Group manages the impact of such price volatility on its cash flows, by hedging its purchases either by entering into forward purchase contract or through a back-to-back purchase arrangement for the respective sales or taking hedging positions in Bursa Malaysia Derivatives (BMD).

The Group has not adopted hedge accounting as of 31st March 2014 at a group level or in any of its business segments.

(b) Equity price risk

The Group having an portfolio and asset management sector which acts as specialized investment vehicle to undertake, among others; listed and private equity investments, the Group is categorically exposed to equity price risk. Having a portion of 7% (2012 – 7%) of its asset base designated as listed investments in the Colombo Stock Exchange and private equity investments, market volatilities bring in variations to the Groups earnings and value of its asset base at the reporting date.

(c) Listed equity

Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market indices, where decisions concerned with the timing of buy / sell decisions are well supported with structures in-house research recommendations. Transactions of a major magnitude within the portfolio are subject to review and approval by the Investment Committee.

(Amounts expressed in Sri Lankan Rs. ’000)

(d) Private equity

Due evaluations are carried out before-hand, extending to both financial and operational feasibility of the private equity projects that the Group ventures in to, with a view to ascertain the Groups investment decision and the risks involved.

Continuous monitoring of the operations against the budgets and the industry standards ensure that the projects meet the desired outcome, and thereby the returns.

Further, the Group generally carries investment agreements with the parties concerned, which carry specific ‘exit clauses’ to private equity projects - typically an ‘Initial Public Offering’ or a ‘Buy-out’ at a specified price agreed, which provides cover against movements in market conditions.

The total asset base which is exposed to equity price risk is tabulated below.

	Carrying Amounts	
As at 31st March	2014	2013
Investment in equity securities - Available for sale	8,210,520	8,064,325
Investment in equity securities - Fair value through profit or loss	1,233,053	965,538
	9,443,573	9,029,863

(e) Foreign currency risk

The Group has currency exposures arising from loans and borrowings of Indonesian, Indian and Sri Lankan entities denominated in a currency other than respective the functional currency the Indonesian Rupiah (IDR), Indian Rupees (INR) and Sri Lankan Rs. The foreign currency in which theses loans and borrowings are denominated is United States Dollars (USD).

A significant portion of our raw material purchases in the edible oils and fats business segment (in Malaysia and India) is also denominated in USD, resulting in a currency exposure against the functional currencies of Malaysian Ringgit (MYR) and Indian Rupees (INR).

The Group currency exposures arising from sales and purchases as well as all other assets, liabilities and operational expenses is limited as these are primarily denominated in the respective functional currencies of Group entities, primarily Indonesian Rupiah (IDR), Malaysain Ringgit (MYR) and Indian Rupees (INR)

The Group manages the impact of such exchange movements on its cash flows, by hedging its currency exposure through forward booking arrangements on a selective basis. The Group does not have any other foreign currency hedge arrangements as at reporting date.

(Amounts expressed in Sri Lankan Rs. '000)

Foreign exchange - Sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in Indonesia Rupiah exchange rate against the US Dollar, with all other variables held constant:

	Change in Indonesia Rupiah to US$ exchange rate	Effect to profit before tax US$'000
2014	+/- 5%	+/- 65
2013	+/- 5%	+/-1,529

The Group does not have any foreign currency hedge arrangements as at reporting date.

The Guardian Group is exposed to currency risk on its investments made that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Sri Lanka Rupee. Accordingly, the Group is exposed to currency risk primarily arising from its investment in 'The Sri Lanka Fund' – a country fund incorporated in Caymans Islands, to which the Group has infused promoters capital.

The net exposure to currency risk, of investments in The Sri Lanka Fund as at the reporting date is as follows.

As at 31st March		2014	2013
Currency			
Investments in Unit Trusts	USD	1,922,872	2,024,994

(f) Interest rate risk

The Group's exposure to the risk of changes in the market interest rates relates to the Long term & short term debt. The Group had no substantial long-term interest-bearing assets as at 31st March, 2014. The investment in financial assets are mainly short-term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or occasionally, in short-term commercial papers/deposits which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. The Group will pursue derivative mechanisms such as interest swaps, where necessary, to manage its interest risk arising from the group's sources of finance. The Group does not actively pursue derivative mechanisms at the moment. As at present the Group has benefited from the reduction of LIBOR over the recent past, on all US Doller borrowings which are pegged to the LIBOR

(Amounts expressed in Sri Lankan Rs. '000)

At the end of the reporting period the profile of the Group's interest-bearing financial instruments as reported to the Management of the Group was as follows

As at 31st March	2014	2013
Financial assets		
Short term deposits	12,905,445	4,809,298
	12,905,445	4,809,298
Financial liabilities		
Loan term borrowings	43,268,461	31,749,073
Debenture	3,093,774	-
Finance lease liabilities	96,981	68,108
Redeemable preference shares	-	55,000
Short term borrowings	17,202,878	15,850,748
Bank overdraft	925,777	4,511,447
	64,587,871	52,234,376

42. CAPITAL MANAGEMENT

Group consist of companies operating in different business sectors spanning across several geographical domains. Due to the different industry/market specific business sensitivities across industries, Group does not push down a "one size fits all" policy in capital management to its subsidiaries.

Individual companies, through their respective Boards of directors determine the capital structure best suited for their business needs subject to regulatory framework, cash-flow capacity potential, availability or otherwise of cheaper external funding, future expansion plans and share holder sentiments.

Whilst allowing the flexibility to determine the optimum capital structure for its subsidiaries, group monitors capital through the relevant ratios (i.e. gearing ratio, debt to equity ratio etc) which each sector has to present to their respective Boards and the Board of the parent company at each quarterly performance review. Further, each public quoted company of the group has to submit an internally verified solvency report to their respective Board on quarterly basis along with the submission of interim reports irrespective of whether a distribution is proposed or not.

(a) Analysis of Group Changes in Net Debt

The group defines capital as the total equity of the group. The group's objective for managing capital is to deliver competitive. secure and sustainable returns to maximize long term shareholder value.

Net debt is current and non current finance debt less cash equivalents. The net debt ratio is the ratio of net debt to total equity. The net debt ratio enables investors to see how significant net debt is relative to equity from shareholders.

	Group	
As at 31 st March	2014	2013
Gross Debt	64,587,871	52,234,375
Cash and Cash Equivalents	(16,935,783)	(7,933,522)
Net Debt	47,652,088	44,300,853
Equity	66,468,508	66,874,007
Net Debt Ratio	72%	66%

(Amounts expressed in Sri Lankan Rs. '000)

(b) Adjusted net gearing ratio

Adjusted net gearing ratio is adjusted net debt to equity, which equals adjusted net debt divided by total capital. The Group includes within adjusted net debt, net debt less liquid working capital. Liquid working capital includes inventories (excluding consumables) and trade receivables, less current liabilities (excluding loans and borrowings). Capital includes equity funds.

	Group	
As at 31st March	2014	2013
Shareholders' funds	66,468,508	66,874,007
Liquid working capital:		
Inventories (excluding consumables)	7,940,973	7,259,572
Trade receivables	7,362,082	7,073,825
Less: Current liabilities (excluding loans and borrowings)	(16,526,064)	(10,818,193)
Total liquid working capital	(1,223,009)	3,515,204
Adjusted net debt	48,875,097	40,785,649
Adjusted net gearing ratio (%)	74%	61%

43. COMPANIES WITHIN THE GROUP WHICH ARE NOT AUDITED BY MESSRS KPMG

Good Hope Asia Holdings Limited	Ernst & Young - Singapore
Agro Asia Pacific Limited	,,
Indo - Malay PLC	Ernst & Young - Sri Lanka
Selinsing PLC	,,
Good Hope PLC	,,
Shalimar (Malay) PLC	,,
Agro Harapan Lestari (Private) Limited	,,
AHL Business Solutions (Private) Limited	,,
Shalimar Developments Sdn. Bhd.	Ernst & Young - Malaysia
Agro Harapan Lestari Sdn. Bhd.	,,
PT Agro Indomas	Ernst & Young - Indonesia
PT Agro Bukit	,,
PT Agro Harapan Lestari	,,
PT Agro Asia Pacific	,,
PT Karya Makmur Sejahtera	,,
PT Nabire Baru	,,
PT Agrajaya Baktitama	,,
PT Rim Capital	,,
PT Agro Wana Lestari	,,
PT Batu Mas Sejahtera	,,
PT Sawit Makmur Sejahtera	,,
PT Sumber Hasil Prima	,,
PT Sinar Sawit Andalan	,,
PT Sariwana Adi Perkasa	,,
Premium Nutrients Pvt Ltd	Ernst & Young - Singapore
Premium Oils & Fats Sdn Bhd	Ernst & Young - Malaysia
Premium Vegitable Oils Sdn Bhd	,,
Premium Fats Sdn Bhd	,,
Arani Agro Oil Industries (Private) Ltd	S.R.B.C & Co. LLP

44. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for as at the date of the reporting period but not recognised in the financial statements are as follows:

	Group	
As at 31st March	2014	2013
Oil Palm Plantation and Oils and Fats		
Approved and contracted for	3,415,975	4,463,356
	3,415,975	4,463,356
Beverage		
Approved and contracted for	378,005	1,230,813
	378,005	1,230,813
Leisure		
Approved and contracted for	-	7,077
	-	7,077
Real Estate		
Approved and contracted for	-	74,616
	-	74,616
Total capital commitments	3,793,980	5,775,862

(b) As disclosed in Note 46 b, Acquisition of Millers Brewery Limited, upon the satisfactory completion of the conditions precedent in the Sale & Purchase Agreement with Cargills (Ceylon) PLC & Millers Brewery Limited, Lion Brewery Ceylon PLC is committed to pay Rs. 5,150,000,000/- towards the settlement of the transaction.

(c) Finance Commitments

Lion Brewery (Ceylon) PLC

Document of credit effected for foreign CAPEX purchases of the LBC PLC as at 31st March 2014 amounting to Rs. 378,005,086/- (2013 - Rs. 1,230,812,683/-)

There were no material contracts for capital expenditure as at the Balance Sheet date other than the above.

(d) Commitments for purchase contracts

The Group has the following committed purchases contracts entered into for the use of the Group. The contractual or underlying amounts of the committed contracts with fixed pricing terms outstanding as at period end are as follows:

	Group	
As at 31st March	2014	2013
Committed contracts		
Purchases	2,602,815	2,028,643
Sales	3,993,929	4,200,063
	6,596,744	6,228,706

(Amounts expressed in Sri Lankan Rs. '000)

(e) Commitments for obligations under finance leases and hire purchases

The Group has commitments for obligations under finance leases and hire purchases as disclosed in Note 35 c.

(f) Contingent liabilities

The Indonisian plantation companies have provided a corporate guarantee to a bank for a Rs 782.3Mn (US$ 5,987,000) loan taken under the Plasma programme.

The Goodhope Asia Holdings Ltd has provided the following guarantees at the end of the reporting period:

*GAHL has provided corporate guarantees to six financial institutions for the financing facilities obtained by its subsidiaries, amounting to Rs 48,211 mn or equivalent US $368,953,000.

45. CONTINGENCIES

(a) Malaysian plantation properties of Indo-Malay PLC and Selinsing PLC were charged as security to Standard Chartered Bank Singapore to secure a financing facility under Goodhope Asia Holdings Ltd (GAHL). in order to facilitate the Group expansion programme of the plantation asset base and to refinance the Group's existing debt obligations.

An internal arrangement was established to ensure equitability amongst the four Malaysian plantation companies (Indo-Malay PLC, Selinsing PLC, Good Hope PLC, and Shalimar Malay PLC), with each of the four Malaysian plantation companies counter guaranteeing the combined liability that would crystallize in the event of a successful claim on properties mortgaged by Indo-Malay PLC and Selinsing PLC. As such total loss incurred by Good Hope PLC in the event of a successful claim is limited to 25% of the combined loss.

On 4th November 2013, GAHL made arrangements with the lender to release this securities. Accordingly, Malaysian plantations' exposure to contingent liabilities from the internal arrangement too ceases to exist.

(b) In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company subsidiary Ceylon Beverage Holdings PLC and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty')purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs.25,059,553/86 as its penalty. The Company and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the Company as required before submitting its appeal. Subsequently the CA Application was dismissed and the Company appealed against the order to the Supreme Court and was granted Special Leave to Appeal by the Court. The Court also ordered the staying all further proceedings in the MC Case until final hearing and determination of the appeal. No provision has been made for the penalty of Rs.25,059,553/86 pending an outcome in the Supreme Court matter.

(Amounts expressed in Sri Lankan Rs. '000)

(c) Contingent liabilities of Lion Brewery (Ceylon) PLC as at 31st March 2014 amount to Rs. 17,076,169/-. (2013 -Rs. 128,876,247/-), being bank guarantees given to Government bodies for operational purposes and shipping guarantees for clearing cargo pending the receipt of original documents.

(d) Following legal matter is outstanding against the company subsidiary Lion Brewery (ceylon) PLC and no provision has been made in the Financial Statements to this regard.
The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela in Case No. 11303/Customs against the Company and its directors to recover Excise Duty amounting to Rs. 58,753,582/94 comprising of the disputed Excise Duty of Rs. 29,376,791/47 and its penalty of Rs. 29,376,791/47. The LBC PLC and the directors have obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case and filed an application for Writ in the Court of Appeal, to quash the Certificate of Excise Duty in Default and penalty issued by the DG of Customs and Excise Duty to recover the said sum. The Court of Appeal made an order against LBCPLC refusing the writ of Certiorari prayed for and LBCPLC has now preferred a Special Leave to Apppeal to the Supreme Court against the said order of the Court of Appeal.

(e) A case has been filed against the company's subsidiary Pegasus Hotels of Ceylon PLC by an individual in the District Court of Negombo seeking a declaratory title from court stating that he is a co-owner of 127.5 perches of the Land belonging to Pegasus Hotels of Ceylon PLC. The outcome of the matter is still pending. However, the subsidiary is confident that it can establish title to the said land. In any case the claimed land extent falls within the 1,251 perches of land acquired by the Government for the fisheries harbour project.

(f) An order has been made for the enforcement of an ex-parte judgment (in default of appearance) has been made against the Company's subsidiary CCPLC by an overseas Court for a sum of Sterling pound 271,323.38 in an action filed by a former consultant of the Company. The Company has challenged the enforceability of the said overseas judgment in an action filed by the Company in the District Court of Colombo and the Company is confident of the objections it has taken.

46. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) Incorporation of a Subsidiary Company of Lion Brewery (Ceylon) PLC

Pearl Springs (Private) Limited, a private Limited Liability company was incorporated on 20th May 2014 as a fully owned Subsidiary of Lion Brewery (Ceylon) PLC.

(b) Acquisition of Millers Brewery Limited

Lion Brewery (Ceylon) PLC together with its newly formed subsidiary Pearl Springs (Private) Limited have entered in to a Sale & Purchase Agreement with Cargills (Ceylon) PLC & Millers Brewery Limited, a subsidiary of Cargills (Ceylon) PLC to purchase the shareholding including the trademarks of Millers Brewery Limited at a consideration of Rs. 5,150,000,000/- subject to due diligence & settlement of all its liabilities.

Other than disclosed above no circumstances have arisen which require adjustments to or disclosures in the financial statements.

(Amounts expressed in Sri Lankan Rs. '000)

47. RELATED PARTY DISCLOSURES

Bukit Darah PLC carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24"Related Party Disclosures",the details of which are given below.

	Group			Company	
For the year ended 31st March	2014	2013	2011	2014	2013
Transaction with Subsidiaries					
Dividend Income	-	-	-	389,814	364,667
Amounts paid for services obtain (Note i)	-	-	-	12,540	12,540
(Note i)					
Amounts paid for services obtain from					
Carsons Management Services (Private) Limited					
Support service fees	-	-	12,000	12,000	-
Secretarial fees	-	-	300	300	-
Computer fees	-	-	240	240	-
	-	-	12,540	12,540	-
Transaction with Joint Venture					
Investments made	-	15,000	-	-	-
Secretarial fees received	180	180	-	-	-
Management fees received	3,340	2,120	-	-	-

(1) Messrs. S.G.Lauridsen and H.J.Andersen, Directors of the Lion Brewery (Ceylon) PLC (LBCPLC) represent Carlsberg Brewery Malaysia Berhad with which the following contracts / transactions have been entered into by LBCPLC during the period in the normal course of business.

(a) As per the licensed brewing agreement, a sum of Rs. 101,209,154/- (2013 - Rs.76,749,028/-) was paid by LBCPLC as royalty during the period to Carlsberg A/S.

(b) During the period the LBC PLC purchased the part of its requirement of the raw material Aroma Hop from Carlsberg A/S amounting to Rs. 6,624,086/- An amount of Rs. 54,651,778/- is payable to Carlsberg A/S by LBC PLC as at 31st March 2014 (2013 - Rs. 40,613,227/-).

(2) Messrs. K. Selvanathan and S.G.Lauridsen , Directors of the LBC PLC, are also Directors of Carlsberg India Pvt Limited from which LBC PLC, the purchased finished beer cans for the purpose of resale during the period for a sum of Rs. 304,804,110/- . (2013 - Rs. 397,853,928/-)

(3) Lion Brewery (Ceylon) PLC (LBC PLC) purchases a part of its requirement of the raw material rice from Ran Sahal (Private) Limited. The entire production of Ran Sahal (Private) Limited is exclusively sold to the LBC PLC. Towards this the LBC PLC advances funds to Ran Sahal (Private) Limited from time to time against of future purchases. During the period the LBC PLC purchased rice for an amount of Rs.131,435,540/- (2013 - Rs. 124,851,146/-). As at the reporting date an amount of Rs. 70,087,738/- (2013 - Rs.57,719,133/-) has been advanced to Ran Sahal (Private) Limited which remains to be settled from future purchases.

(Amounts expressed in Sri Lankan Rs. '000)

(4) Carson Cumberbatch PLC has provided letters of comfort to the following subsidiaries confirming its intention to continue to provide financial and other support and meet liabilities to enable the subsidiaries to continue as a going concern for audit purposes.

a. Carsons Airline Services (Private) Limited
b. Carsons Management Services (Private) Limited

Transaction with Key Management Personnel (KMP)

According to LKAS 24 "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company / Group (including Executive and Non Executive Directors) and their immediate family members have been classified as KMP of the Company / Group.

Compensation paid to the Key Management Personnel of the company and group comprise the following

	Group		Company	
For the year ended 31st March	2014	2013	2014	2013
Short - term employee benefits	955,804	1,080,433	930	990
Post - employee benefits	882	781	-	-
Non cash benefits	82	20	-	-
	956,768	1,081,234	930	990

No transaction have taken place during the year between the company and its subsidiaries and it's KMPs other than disclosed above

48. EXCHANGE RATE

The exchange rates applicable during the period were as follows:

	Statement of Financial Position		Statement of Income	
	Closing rate		Average Rate	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Malaysian Ringgit	40.07	40.98	40.58	41.97
US Dollar	130.67	126.89	130.11	129.67
Indonesian Rupiah (Rp)	0.0115	0.0131	0.0119	0.0131
Singapore Dollar	103.83	102.16	103.30	104.52
Indian Rupee (INR)	2.18	2.33	2.16	2.39

49. BOARD OF DIRECTORS RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the preparation and presentation of the financial statements in accordance with Sri Lanka Accounting Standards.

Group Real Estate Portfolio

The values of land & buildings owned and leased by companies within the Group and which have been revalued by qualified valuers are indicated below together with the last date of valuation:

As at 31st March 2014

Company	Location	Extent (Hectares)	Land & Building Market Value Rs. '000	Land & Building Book Value Rs. '000	Date of last Valuation
Equity One PLC.	Colombo 7	0.238	733,347	733,347	31-Mar-13
Equity One PLC	Colombo 2	0.524	493,000	493,000	31-Mar-13
Equity Two PLC	Colombo 1	0.218	897,826	897,826	31-Mar-14
Equity Three (Private) Limited	Colombo 13	0.208	277,734	277,734	31-Mar-13
		1.188	2,401,907	2,401,907	
PT Agro Indomas * ** ***	Indonesia	26,861	6,170,894	3,508,288	31-Mar-14
PT Agro Bukit * ** ***	Indonesia	24,931	5,441,722	5,005,341	31-Mar-14
PT Karya Makmur Sejahtera* ** ***	Indonesia	10,163	1,224,224	979,729	31-Mar-14
PT Agro Wana Lastari* ** ***	Indonesia	14,952	2,645,769	2,824,603	31-Mar-14
PT Agro Jaya Baktitama* ** ***	Indonesia	8,775	775,828	677,847	31-Mar-14
PT Rim* ** ***	Indonesia	3,934	550,994	467,161	31-Mar-14
PT Nabire Baru* ** ***	Indonesia	13,600	1,171,090	1,353,334	31-Mar-14
PT Batu Mas Sejahtera* ** ***	Indonesia	10,335	623,191	364,109	31-Mar-14
PT Sawith Makmur Sejahtera* ** ***	Indonesia	11,063	641,212	279,863	31-Mar-14
PT Sumber Hasil Prima* ** ***	Indonesia	13,999	926,929	911,937	31-Mar-14
PT Sinar Sawit Andalan * ** ***	Indonesia	9,828	416,000	383,186	31-Mar-14
PT Sariwana Adi Perkasa	Indonesia	7160	230,474	235,938	31-Mar-14
		155,601	20,818,327	16,991,336	
Good Hope PLC	Malaysia	318	1,409,745	1,407,236	31-Mar-14
Selinsing PLC	Malaysia	494	1,709,585	1,705,734	31-Mar-14
Shalimar (Malay) PLC	Malaysia	297	1,500,373	1,507,548	31-Mar-14
Indo-Malay PLC	Malaysia	289	1,452,599	1,450,577	31-Mar-14
		1,398	6,072,302	6,071,095	
Premium Vegetable Oil Sdn.Bhd*	Malaysia	4.836	1,339,076	1,339,076	31-Aug-11
Premium Fats Sdn.Bhd	Malaysia	0.024	37,257	37,257	31-Aug-11
Arani Agro Oil Industries Limited	India	0.931	340,732	340,732	24-Sep-11
		5.791	1,717,065	1,717,065	
Ceylon Beverage Holdings PLC	Nuwara-Eliya	1.517	122,995	122,995	31-Mar-11
Lion Brewery (Ceylon) PLC	Biyagama	9.542	1,916,088	1,916,088	31-Mar-11
		11.059	2,039,083	2,039,083	
Pegasus Hotels of Ceylon Ltd.	Wattala	2.209	995,975	995,975	31-Mar-12
Equity Hotels Ltd. **	Giritale	6.034	15,916	15,916	31-Mar-13
		8.243	1,011,891	1,011,891	
Total value		157,025	34,060,575	30,232,377	

There has been no permanent reduction in the value of land & buildings which may require provision.

* These valuations have not been incorporated in the books of account.

** Leasehold property.

*** These values Includes the Valuation of Land & Buildings.

US $ FINANCIALS

The Financial Statements of the Group are reported in Sri Lankan Rupees. The translation of the Sri Lankan Rupees amounts into US Dollars is included solely for the convenience of Shareholders, Investors, Bankers and other users of Financial Statements. US Dollar Financials do not form part of the Audited Financial Statements of the Company.

Statement of Financial Position - US$

All figures in Notes are in US Dollars unless otherwise stated)

	Group	
As at 31st March	2014	2013
ASSETS		
Non - Current Assets		
Property, Plant & Equipments	419,064,085	402,256,104
Biological Assets	358,285,016	337,199,401
Prepaid lease payment for Land	31,338,532	32,511,955
Investment properties	16,022,423	15,524,896
Intangible assets	24,000,750	23,558,783
Investments in subsidiaries	-	-
Investments in associates / Joint ventures	197,390	200,292
Available-for-sale financial assets	62,834,009	63,553,669
Deferred tax assets	13,299,066	10,886,784
Trade and other receivables	8,282,069	2,330,215
Total non - current assets	933,323,341	888,022,099
Current Assets		
Inventories	60,771,202	57,211,538
Trade and other receivables	75,369,075	81,776,350
Current tax recoverable	435,647	619,245
Fair value throught profit or loss financial assets	9,436,390	7,609,252
Derivative financial instrument	96,441	117,094
Cash and cash equivalents	129,607,278	62,522,831
Total current assets	275,716,034	209,856,309
Total assets	1,209,039,375	1,097,878,407
EQUITY AND LIABILITIES		
EQUITY		
Stated capital	3,780,498	3,780,498
Capital reserves	16,751,649	17,096,138
Revenue reserves	211,184,267	231,565,132
Equity attributable to owners of the company	231,716,414	252,441,768
Non -controlling interest	276,958,162	274,581,685
Total Equity	508,674,576	527,023,453
Investments through Subsidiary	(81,794)	(84,230)
	508,592,783	526,939,223
LIABILITIES		
Non - Current Liabilities		
Loans and borrowings	274,997,397	216,289,365
Debenture	21,418,841	-
Trade and other payables	386,409	221,270
Employee benefits	7,943,966	9,777,224
Deferred tax liabilities	71,362,141	64,033,383
Total non - current liabilities	376,108,754	290,321,243
Current Liabilities		
Trade and other payables	125,491,888	85,256,466
Current tax liabilities	975,373	-
Derivative financial instrument	4,492	-
Loans and borrowings	195,608,689	195,361,475
Debenture	2,257,396	-
Total current liabilities	324,337,838	280,617,941
Total liabilities	700,446,592	570,939,184
Total equity and liabilities	1,209,039,375	1,097,878,407
Exchange Rate		
	130.67	126.89

This information does not constitute a full set of Financial Statements in compliance with LKAS.

Statement of Income -US$

((All figures in Notes are in US Dollars unless otherwise stated)

For the year ended 31st March	Group 2014	2013
Revenue	588,292,891	587,340,271
Direct operating expenses	(403,502,782)	(411,699,275)
	184,790,108	175,640,996
Other items of income		
Change in fair value of investment properties	608,785	481,291
Change in fair value of Biological Assets	24,456,983	37,642,469
Gain / (Loss) on fair value through profit or loss financial assets		
Other income	3,739,313	3,208,992
Other items of expenses		
Distribution expenses	(39,105,342)	(40,342,037)
Administrative expenses	(49,332,987)	(52,015,038)
Other operating expenses	(1,057,551)	(1,729,251)
Foreign exchange gain / (losses)	(22,641,573)	(6,477,435)
Impairment of Business Assets	-	(431,403)
Profit from operations	101,457,736	115,978,584
Net finance cost	(15,936,638)	(11,538,104)
Share of net result of associates/Joint Venture	(6,448)	(60,399)
	85,514,649	104,380,080
Profit before Income tax expenses		
Income tax expenses		
Current taxation	(15,840,696)	(19,129,668)
Deferred taxation	(9,214,027)	(11,584,191)
	(25,054,723)	(30,713,858)
Profit for the year	60,459,926	73,666,222
Profit Attributable to:		
Owners of the Company	25,116,878	32,996,910
Non controlling interest	35,343,048	41,381,060
	60,459,926	74,377,969
Exchange Rate	130.11	129.67

Figures in brackets indicate deductions.

Glossary

A

ACCOUNTING POLICIES
The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting Financial Statements.

ACCRUAL BASIS
Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

AMORTISATION
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

ASSOCIATE
An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has signified cant influence and that is neither a subsidiary nor an interest in a joint venture.

C

CAPITAL RESERVES
Reserves identified for specific purposes and considered not available for distribution.

CASH EQUIVALENTS
Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant cant risk of changes in value

CONTINGENT LIABILITIES
Conditions or situations at the balance sheet date, the financial effect of which are to be determined by the future events which may or may not occur.

CURRENT RATIO
Current Assets over Current Liabilities

CAPITAL EMPLOYED
Shareholders' Funds plus Debt

CURRENT SERVICE COST
Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

D

DEFERRED TAXATION
The tax effect of timing differences deferred to/from other periods, which would only qualify for inclusion on a tax return at a future date.

DEPRECIATION
The systematic allocation of the depreciable amount of an asset over its useful life.

DIVIDENDS
Distribution of profits to holders of equity investments.

DIVIDEND COVER
Profit after tax divided by gross dividends. This ratio measures the number of times dividend is covered by the current year's distributable profits.

DIVIDEND YIELD
Dividend earned per share as a percentage of its market value.

DEBT/EQUITY RATIO
Debt as a percentage of Shareholders Funds

DIVIDEND PAYOUT RATIO
Total Dividend interest and Tax as percentage of Capital Employed (Note 01)

E

EARNINGS PER SHARE (EPS)
Profit attributable to ordinary shareholders, divided by the number of ordinary shares in issue.

F

FAIR VALUE
Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

FINANCE LEASE
A contract whereby a lessor conveys to the lessee the right to use an asset for rent over an agreed period of time which is sufficient to amortise the capital outlay of the lessor. The lessor retains ownership of the asset but transfers substantially all the risks and rewards of ownership to the lessee.

G

GROSS DIVIDENDS
The portion of profit inclusive of tax withheld distributed to shareholders.

GROUP
A group is a parent and all its subsidiaries.

I

IMPAIRMENT
This occurs when recoverable amount of an asset is less than its carrying amount.

INTANGIBLE ASSET
An identifiable able non-monetary asset without physical substance held for use in the production / supply of goods / services or for rental to others or for administrative purposes.

K

KEY MANAGEMENT PERSONNEL
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

L

LIQUID ASSETS
Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with other banks, bills of exchange and treasury bills.

M

MARKET CAPITALISATION
Number of Shares in issue at the end of the period multiplied by the Market price at end of period

N

NET ASSETS
Total assets minus Current Liabilities minus Long Term Liabilities minus Minority Interest

NET ASSET VALUE PER SHARE
Shareholders' funds divided by the number of ordinary shares in issue.

NET DEBT
Debt minus Cash plus Short Term Deposits

P

PARENT
A parent is an entity that has one or more subsidiaries.

PRICE EARNINGS RATIO (P/E RATIO)
Market price of an ordinary share divided by earnings per share (EPS).

R

RETURN ON AVERAGE ASSETS (ROA)
Net income expressed as a percentage of average total assets, used along with ROE, as a measure of profit and as a basis of intra-industry performance comparison.

RETIREMENT BENEFITS
Present value of a defined benefit obligation Is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

REVENUE RESERVE
Reserves set aside for future distribution and investment.

RETURN ON EQUITY
Profit after Tax as a percentage of Average Shareholder's Funds

RETURN ON CAPITAL EMPLOYED
Earning before interest and tax as percentage of Capital Employed

RELATED PARTIES
Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

S

SHAREHOLDERS' FUNDS
Shareholders' funds consist of stated capital plus capital and revenue reserves.

SUBSIDIARY
A subsidiary is an entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).

SEGMENTS
Constituent business units grouped in terms of similarity of operations and location.

T

TOTAL VALUE ADDED
The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources

TOTAL ASSETS
Fixed Assets plus Investments plus Non Current Assets plus Current Assets

V

VALUE ADDED
Value added is the wealth created by providing products and services less the cost of providing such services. The value added is allocated among the employees, the providers of capital, to government by way of taxes and retained for expansion and growth.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Ninety Eighth Annual General Meeting of **BUKIT DARAH PLC** will be held on Thursday the 31st day of July 2014 at 10.00 a.m. at Hilton Colombo, “Grand Ballroom”, No.2, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, for the following purposes:

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2014, together with the Independent Auditors’ Report thereon.

2. To re-elect Mr. P.C.P. Tissera who retires by rotation in terms of Articles 82 and 83 of the Articles of Association of the Company.

3. To re-appoint Mr. I. Paulraj as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution :

   “IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. I. Paulraj who is seventy seven years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year”.

4. To re-appoint Mr. L.R. De Lanerolle as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution :

   “IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. L.R. De Lanerolle who is seventy one years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year”.

5. To re-appoint Messrs. KPMG. Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act. No. 07 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

(Sgd.)
K.D. De Silva (Mrs.)
Director
Carsons Management Services (Private) Limited
Secretaries

Colombo,
25th June 2014

Notes :

1. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.

2. The completed Form of Proxy must be deposited at the Registered Office, No.61, Janadhipathi Mawatha, Colombo 1, not later than 10.00 a.m. on 29th July 2014.

3. A person representing a Corporation is required to carry a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.

4. The transfer books of the Company will remain open.

5. Security Check - We shall be obliged if the shareholders/ proxies attending the Annual General Meeting, produce their National Identity Card (NIC) to the security personnel stationed at the entrance lobby.

Notes

Notes

Form of Proxy

*I/We...

of..

being *a Member/Members of **Bukit Darah PLC**

hereby appoint ....

of ....

bearing NIC No./Passport No ....or failing him/her

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Palehenalage Chandana Priyankara Tissera	or failing him,
Kurukulasuriya Calisanctus Nalake Fernando	or failing him,
Leslie Ralph De Lanerolle	

as *my/our proxy to attend at the 98th Annual General Meeting of the Company to be held on Thursday 31st July 2014 at 10.00 a.m., at Hilton Colombo, "Grand Ballroom", No.2, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
(1) To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2014, together with the Independent Auditors' Report thereon.		
(2) To re-elect Mr. P.C.P. Tissera who retires by rotation in terms of Articles 82 & 83 of the Articles of Association of the Company.		
(3) To re-appoint Mr. I. Paulraj who is over seventy years of age as a Director of the Company.		
(4) To re-appoint Mr. L.R. De Lanerolle who is over seventy years of age as a Director of the Company.		
(5) To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act. No. 07 of 2007 and to authorize the Directors to determine their remuneration.		

Signed this .... day of .... Two Thousand and Fourteen.

....

Signature /s

Note:

(a) * Please delete the inappropriate words.

(b) A shareholder entitled to attend and vote at a General Meeting of the company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.

(c) A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.

(d) Instructions are noted on the reverse hereof.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.

2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.

3. In terms of Article 67 of the Articles of Association of the Company:
The instrument appointing a proxy shall be in writing and :
(i) in the case of an individual shall be signed by the appointer or by his attorney; and
(ii) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
The Company may, but shall not be bound to, require evidence of the authority of any such attorney or officer.
A proxy need not be a member of the company.

4. In terms of Article 62 of the Articles of Association of the Company :
In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, shall be accepted to the exclusion of the votes of the other joint-holders an for this purpose seniority shall be determined by the order in which the names stands in the register of members in respect of the joint holding.

5. To be valid the completed form of proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not later than 10.00 a.m. on 29th July 2014.

Please fill in the following details

Name ....

Address ....

....

....

Jointly with

Share Folio No. ....

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